Trust and Loan Review and Outlook

THE FINANCIAL POST

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WESTERN SEEDING NEARS COMPLETION TEN DAYS EARLIER

Wheat Seeding 95 Per Cent. Completed — Moisture is Abundant

WHEAT PRICES LOWER

Outlook is Bearish But Extremely Low Price Levels Are Not Justified at Present

"Seeding ten days earlier—larger wheat acreage — excellent initial growth," are some of the news dispatches being flashed by wire, cable and radio from Western Canada's two-hundred-million acre granary to all parts of the world. They constitute a major factor in determining flour and bread prices during coming months. And at home, these and similar dispatches are weaving in advance the tale of Canada's business prosperity in 1926 and 1927.

Last year this ever-expanding granary yielded $674,000,000 from an acreage of 35,000,000. No one knows yet whether this has been increased or decreased, but many points on the prairies report a larger acreage under cultivation. Taking the West as a whole, wheat seeding is 95 per cent. completed—ten days, at least, earlier than in 1925, and about 60 per cent. of this is now showing green. Moisture conditions are better than at this time last year, and there are few reports of damage of any sort. Altogether a better start has been made this year. Manitoba has missed the showers general throughout the other two provinces, but no moisture shortage is yet reported. Seeding of all grains is virtually completed in the central and southern districts, but not in the north. In central and southern Saskatchewan virtually all wheat is seeded as well as nearly 50 per cent. of the coarse grains. Taking the province as a whole, wheat seeding is 90 per cent., oats seeding 35 per cent., and barley 20 per cent. completed. In Alberta 95 per cent. of the wheat has been seeded under quite favorable conditions. Moisture is still abundant, and there has been little damage through drifting.

Trend of Wheat Prices

All these facts have a direct bearing on wheat prices—hence on the Canadian business situation. During April the average price of No. 1 Manitoba northern cash wheat, Port Arthur and Fort William basis, was $1.56 2/3 compared with $1.48 1/3 for March. The low price for the month was $1.50¼ and the high, $1.62⅛. Some improvement in export demand, reports of damage to Argentine wheat, and a more limited exportable surplus than was expected, induced a strong bullish market which was later forced downward by the strike situation. More recently, export demand continues disappointing and wheat prices, in some grades, reached new low levels this week. No. 1 Northern cash wheat is around $1.52⅝ against an average of $1.82⅝ for May of last year. It is important, in studying the outlook, that these high prices were a leading factor in the record total of $459,149,200 added to the country's total revenue last year by the sale of the wheat crop.

During the past crop year wheat imports into Europe have been astonishingly small, and there is a question on this side the Atlantic as to how Europe has managed to subsist. For the crop year 1924-25 Europe imported 628,000,000 bushels of wheat from the world. Up to the end of April, in the crop year, their imports amounted to 375,000,000 bushels, against 508,000,000 for the same time last year, a drop of 133,000,000 bushels. This is 20,000,000 below the pre-war average for the same period. The United Kingdom has consumed 40,000,000 bushels less wheat this year than last, due, presumably, to increased consumption of vegetables and fruits. Furthermore, Europe had 200,000,000 bushels more rye than the previous year.

At the beginning of the crop year the situation was unusually bullish. The United States had 200,000,000 bushels less than was anticipated. There was a partial failure in Argentina. Russia was out of the running and Canada had bad harvesting weather. Statistically it was impossible to see how the world would subsist until the new crop was ready. But the world "tightened its belt" as price levels became higher, and the situation altered completely. At the present time statistics show 550,000,000 bushels of winter wheat in the States, against 398,000,000 last year. Spring wheat will probably be 250,000,000, making a total of 800,000,000, or 130,000,000 more than last year, and the new crop is virtually on us since Texas wheat begins to be marketed, June 1. Canada to-day has 75,000,000 bushels of exportable wheat, the only large pocket of bread wheat left in the world. Bearish as the outlook may seem, it is probable that this will be sold, before the new harvest is ready, at a good price. Generally speaking, the world wheat situation, although bearish, does not seem to justify prices going to extremely low levels. Until the world is assured that there is an ade-

(Continued on page 8)

Concessions to Auto Makers Anticipated

Special Correspondence.

OTTAWA.—Despite the no compromise political front being maintained by the government on the budget, there is a pretty definote feeling that some substantial concessions will be made to the automobile manufacturers in committee, they having brought convincing evidence that the consequences of the tariff proposals as they now stand may be far-reaching to Canada's prosperity.

Among the probable changes being discussed are: To make the tariff on imported cars apply to the foreign retail rather than the wholesale price as at present. To reduce or abolish the luxury or excise tax on cars made in Canada. To allow a drawback on imported parts. The latter would prove a boon to the assembling plants but would not help the export business when cars must represent a large percentage of British labor.

MOORE COMPANIES FIND BUSINESS IS BETTER IN CANADA

Orders a Little Harder to Secure in United States

Business with the companies in the Moore group continues in very good volume. These companies, of which S. J. Moore is the chief executive force, include F. N. Burt Co., Pacific Burt Co., American Salesbook Co., Gilman-Fanold Co. and Wm. A. Rogers Co. They do business on a national scale both in the United States and Canada—the first four being manufacturers of paper boxes, business forms, counter books and various other paper products while the last named produces Rogers plate and cutlery.

While the volume of business of these companies in the United States is up to if not ahead of last year's splendid record it has recently been found that orders are somewhat more difficult to secure. In Canada there is a substantial improvement noted all round and this is continuing.

From the investment standpoint some of the stocks like F. N. Burt common and Rogers common have shown a decline in the general market slump recently. This, The Financial Post is informed, is no indication of a falling off in business or earnings but rather a realization that optimistic speculation had taken the prices for these securities to a level which discounted a continued rapid expansion of business indefinitely.

Early in October last, The Financial Post warned that "the continued rise in the market for F. N. Burt common is regarded as the result of speculative buying based on the company's record rather than on any definite promise of better treatment of the shareholders in the near future; in fact the officials of the company state that there is absolutely nothing to indicate increased dividends in the near future and they fear that the present price may prove over-optimistic and lead to disappointment."

At that time Burt common was selling about 66. It afterwards went considerably higher. To-day it is selling around 51. The company is making very satisfactory profits but it is evidently being realized that there is no intention to increase the dividend in the near future. A reconstruction program is being carried on as the result of which the number of factories in Buffalo, formerly four and now three, will be reduced to two. The funds are available out of profits to take care of construction and other expenditures required to make the necessary changes in the organization but increased dividends are not to be anticipated until the program is carried out and the benefits expected actually realized.

	High 1926	Low 1926	Present
Amer. Salesbook, com.	70	58	58
Do., pref.	98	92	96½
Burt, F. N., com...	67	50	51¼
Gilman Fanfold, c..	108	104½	108
Do., Pref.	116½	113½	116
Pacific Burt, com..	110	90	95
Do., Pref.........	110	102	104
Rogers, Wm. A., com.	67	45	50
Do., Pref.	97	90	96

Asks Protection For the Canadian Farmer

OTTAWA. — How the protective tariff may benefit the farmer was brought out in the House of Commons by J. S. Woodsworth, Winnipeg Independent, when he called attention of the Acting Minister of Trade and Commerce to the following Canadian Press dispatch from Truro, N. S.:

> Stanfield's mills here, employing hundreds of people in the manufacture of underwear and other wool products, shut down to-night as result of the strike in Great Britain, which cut off the supply of raw material. Wool supplies for this mill were secured in England and the cessation of export due to the strike was given as the cause of the shut down.

"Since protection seems to be desired by a large number of members in this House," said Mr. Woodsworth, "has the minister considered the advisability of protecting the Canadian farmer against the importation of British wool?"

OPPOSITION TO STEAMERS' PLAN MORE DEFINITE

Preferred Shareholders Not Convinced Sacrifices Necessary

What promises to become strong opposition to the capital reorganization plan in connection with Canada Steamships is developing. The opposing interests declare that they have no intention of embarrassing the management, but simply to assist in arriving at a settlement more satisfactory to the preferred shareholders. Many of these shareholders bought their stock a long time ago, when it was recognized as an investment in a sound company, and with the feeling that dividends were reasonably assured. Not a few of them feel that had there been sound management the dividends would have been paid. They believe that there may still be an opportunity to get their arrears and rebuild their capital. A statement by Edward Cronyn & Co., members of Toronto stock exchange, says:

> Shareholders are now asked by their trustees to consent to the final confiscation of about half the company's debt to them and the acceptance of a depreciated and fly-blown security in discharge of the remainder of the debt. This is not all. They are to exchange their present stock for one bearing a lower rate. There is not even a plausible reason given for these sacrifices, and it seems clear as daylight that it is being done with one object, and one only, and that is the enrichment of the common shareholder at the expense of the unfortunate and misnamed "preferred."
>
> We would strongly urge the preferred shareholders to stand together and resist this great injustice. It is hard for us to believe that it can be carried through legally, and we feel that it will be a great slur on Canadian justice if it is permitted.

The position of President Coverdale at the moment appears to be that he is willing to consider any proposition which will be in the best interests of the company and its shareholders. After several years of arduous work in the interests of the company, he has declared many times that the prospect of any dividend on the common stock is so remote as to be really negligible.

Incidentally, it should interest the preferred shareholders—whether they approve of the plan or not—to recall the fact that W. H. Coverdale and his partner in the engineering firm of Coverdale and Colpitts have built for themselves a high reputation as "doctors of sick businesses." It is argued, then, that Mr. Coverdale is not taking any chance of ruining his well-established professional reputation by consummating a deal which would not work out in the best interests of the shareholders as a whole.

The present plan has been worked out on the company's ability to pay as estimated by Mr. Coverdale. The expectation in Montreal is that in order to meet the wishes of some of the preferred shareholders the present offer may be slightly modified, but, in the main, it is expected that the present plan will be adhered to.

The committee which has taken up the claims of the preferred shareholders is composed as follows: J. P. Steedman, Hamilton, chairman; T. P. Phelan, Toronto; A. W. Callard, Montreal; A. E. Cooper, London; W. E. J. Luther and R. A. Lockerby, of Montreal; and Hon. Frank Carrel, of Quebec.

ASBESTOS SHIPMENTS UP

MONTREAL.—The directors of the Asbestos Corporation meet on June 11 when no doubt the dividend declaration of 1¾ per cent. on the preferred stock for the July 1 quarter will be ratified.

The company is doing a good business; recently a large shipment was forwarded to France and shipments to other European countries will go forward in the course of the next few months. It is said that the company has important developments pending and that the outlook for the future is bright.

Automobile Tariff Changes Disturb Realty Values in Sherbrooke, Que.

The far-reaching effects of drastic tariff reductions, such as made under the federal budget in connection with the automobile industry—which buys its parts and supplies from hundreds of manufacturing concerns throughout the country—have been pointed out. Perhaps no more striking evidence of the extent of the consequences of such changes could be found than the following statement made to The Financial Post by P. M. Robins, secretary of the Sherbrooke Trust Company:

> **Anxiety is felt regarding the lengths to which tariff revision may go without previous warning, and one large local industry, intimately connected with the automobile industry, has claimed that its business will be unfavorably affected.**

Here we have evidence that the reduction of the tariff affecting a manufacturing industry regarded as belonging to Ontario is a disturbing factor in the security underlying the homes of the people in a city in southern Quebec. The effect on realty values in many other cities and towns even more directly affected is a serious matter.

The statement from Mr. Robins is of particular interest in view of an incident during the budget debate in the Commons when the Sherbrooke member was challenged to produce evidence that industry in that city would be affected.

Future of Besco May Depend on the Tariff

Preliminary Case for the Steel Industry to be Laid Before Board Next Week — Talk of Shutdown at Sydney

(From Our Own Correspondent)

SYDNEY.—In spite of official assurances that there is no cause for worry, anxiety over the fate of the steel end of the British Empire Steel Corporation is growing keener here. It was expected that the Besco annual meeting would take place some time in May, and that its decisions would determine whether the future of the Sydney steel plant is all behind it. But up to the present, local stockholders have not received their notices, and as these are usually sent out at least 30 days in advance, it now seems improbable that the general meeting will take place until some time in June. The prevailing uncertainty is very hard upon business men, who will not order goods in quantity until they have something tangible as to the probable course of events.

Some crumbs of comfort were given at a recent meeting of the Board of Trade, at which H. J. Kelley, general manager of Steel, repeated his previously expressed conviction that the steel business is coming through all right. He said: "The Sydney steel plant will not be allowed to die."

L. D. Currie, defeated Liberal candidate, told the meeting he has assurances that following the visit of the new Federal tariff board, expected here soon, appropriate action will be taken, probably at the present session of parliament, to extend adequate protection to the Nova Scotia steel industry.

The newly-appointed federal tariff board is to hold its first sittings next week. The steel industry will be the first to present its case and representatives of the British Empire Steel Corporation and the Algoma Steel Corporation will be heard. The applications of the companies named are based upon the incidence of tariff on various phases of the industry, with special reference to drawbacks, unequal producing costs and several other factors; they have been asked to state their claims and establish to the satisfaction of the board that they have a case warranting fuller inquiry.

One of the items to be dealt with is the importation of wire rods, according to information secured by Hardware and Metal from the British Empire Steel Corporation. An official of this company stated this week that the price on wire rods at French and Belgian mills is approximately $24, or $39 laid down in Canada. Compared with this the U.S. price is $45 per ton at Pittsburgh; the English price is $45 per ton at English ports, and the Canadian price is $46.50 per ton at mills. It is seen, therefore, that the French and Belgian rods have a distinct advantage in this market under present conditions. A considerable quantity of Belgian rods is being imported into this country, and such importations have more recently included nails, wire, and other finished products.

Big Plant Result of Forest Policy

The huge woodworking industry to be established in northern Ontario as the result of the policy of the Ferguson Government in prohibiting the exportation of raw forest products, will be located east of Sault Ste. Marie, according to a statement by Hon. James Lyons at the "Soo" this week.

Mr. Lyons was not in a position to give the names of the interests vitally concerned, saying that their solicitor only was known to him, but the immensity of the proposition can be realized when it is announced that the concern is to employ 1,000 men, spend $1,000,000 in construction work, and erect saw mills, flooring plants, veneer plants, and other woodworking industries that the market will demand. Their output must be a minimum of 25,000,000 feet a year.

The concern is known as the Ontario Hardwood Lumber Co., and its tender for the hardwood limits involved was only accepted recently. Work on construction must start before July 1st this year, and the company must spend $500,000 on its plants before July 1, 1927. The last details of the agreement are now being prepared, Mr. Lyons said.

It is understood that W. Parkinson, of Akalyn, Wisconsin, who visited the Sault last October, in company with J. A. Warner, represented the interests behind the deal and handled all the negotiations on their behalf. The company interested have several woodworking plants in different states across the line.

FLORIDA CAPITAL TURNING TO B. C.

Palm Beach Banker Among Capitalists Looking Into Conditions on the Coast

From Our Own Correspondent.

VANCOUVER.—Investment possibilities in British Columbia are being closely studied by New York and Florida capitalists who look for a substantial boom on the Pacific Coast during the next few years. Among the recent investigators are Howard Cole, of New York, and T. T. Reese, president of the Farmers' Bank and Trust Company of West Palm Beach, and one of the most influential bankers in Florida. Mr. Cole is already heavily interested in British Columbia industrial enterprises, having organized a few months ago the Great Western Timber Corporation and purchased the assets of the old British Timber Corporation, including four billion feet of timber, a ten-acre site and shingle mill on Coal Harbor, also a mill site on Lulu Island opposite New Westminster. The holdings include timber on Masset Inlet in the Queen Charlotte Islands and a billion feet of timber along the San Juan River on the west coast of Vancouver Island, and also some timber limits on Bear Creek in the Kootenays. Mr. Cole is discussing with his associates here a project for establishing a harbor on the west coast for the establishment of a sawmill and shipping facilities.

"There is no reason why British Columbia should not enjoy a prosperity similar to Florida's," said Mr. Reese. "Opportunities here appear to me to be unrivalled, and I would not be surprised to see real estate activity here soon that will surprise everyone."

Reese and Cole are only two representatives of a large group of outside investors who are putting their money in British Columbia industry and real estate. The flow of outside money into the province this year is having a marked effect on general prosperity.

Lenroot Bill Supporters Seek Evidence Against Our Milk

The Lenroot bill now before Congress in Washington is ostensibly directed to the improvement and purification of the milk supply for the metropolitan area of New York, but it may be assumed to be in reality an attempt to cut off the increasingly successful competition of Canadian dairy products in the United States. If the bill passes Canadian exporters of milk and cream to the United States will have to secure a license from the United States secretary of agriculture, whose officials may inspect Canadian herds and creameries unless he is willing to accept the certificates of Canadian agricultural officials.

Evidence that the bill is directed primarily against Canadian competition is found in the fact that the suggestion that similar restrictions should be placed upon all milk and cream entering into inter-state commerce had little support. The sponsor of the bill comes from Wisconsin, an outstanding dairy state which contributes largely to the milk supply of cities in the Chicago area, and, it is said, may even attack the New York market. This would be more feasible if Canadian competition were removed. In any event, the Dairymen's League of New York would reach one important objective in the cutting off of Canadian competition, and in this the interests of the League and of milk interests in other states are at one.

While hearings on the bill are in progress, it is understood that its supporters have had officials touring eastern Ontario and western Quebec taking evidence. It is stated that they found conditions somewhat below the standard, in many instances chiefly from a superficial standpoint. Floors were wooden rather than cement. Lighting was sometimes inadequate.

Canadian Interests Also Busy

Two Canadian representatives are on the ground opposing the bill. They are D'Arcy Scott, of Ottawa, general counsel for the National Dairy Council, and W. F. Stephen, of Huntingdon, Que., vice-president of the same organization. They have obtained evidence that a number of individual dairies in New York State are not up to the high standard set by the health officials of New York City. There is no objection being raised by the Dairy Council against the fight being waged for pure milk in many of the large urban centres on both sides of the line; in fact, they are entirely sympathetic. But sanitation seems by no means to be the sole issue, nor even the major issue, in the fight.

TEXTILE PROFITS LESS THAN ONE CENT PER YARD

No Indication That the Public is Being Gouged

PROTECTION IS NEEDED

Equitable Tariff Would Increase Canadian Textile Production About $11,000,000 Annually

From Our Own Correspondent

MONTREAL.—The contention of some politicians that the tariff provides a means whereby the textile companies may gouge the public was dispelled at the annual meeting of the Dominion Textile Company, when F. G. Daniels, managing director, pointed out to the shareholders that the average gross profits of the company are equivalent to less than one cent per yard of goods produced. For every three yards of cotton textile produced the company only obtains a gross profit of 2¾c.

Shareholders in the company will appreciate the broadcasting of these figures at this time—especially when other companies have suffered through a lack of proper protection.

In referring to the keen competition from Great Britain and the U.S., Mr. Daniels made the point that about 50 per cent. of the present imports could be eliminated, provided the tariff were on an equitable basis. This would mean an increased production of domestic textiles amounting in all to $10,000,000 annually.

Could Reduce Costs

The fact that this competition prevented operations from continuing at anything like capacity for any length of time was also made—in other words, present costs were naturally increased through the vast quantities of imports coming in from abroad and, given proper protection, the industry as a whole could then operate on a more economical basis and thus pass on the savings to the ultimate consumer.

In explaining the situation in Britain, Mr. Daniels said that prior to the war 80 to 85 per cent. of its production from 54 million spindles was exported. To-day, British manufacturers, having lost about fifty per cent. of their exports, are left with an over-production from approximately 20 million spindles. Mr. Daniels believed that for many years to come these spindles will not be operated at a profit for any extended period, so that the British producers have decided to take a loss, which has been estimated by an eminent Brit-

(Continued on page 8)

Besco Planning to Keep Scotia Pits Open

(From Our Own Correspondent)

HALIFAX.—Besco officials here deny any intention of closing down the Scotia pits at Sydney Mines and confining the 1926 output to the Dominion Coal Company areas on the south side of the harbor.

"We need every ounce of coal we can raise in Cape Breton and on the mainland to fill our contracts, and that means Scotia as well as other fields," is the statement at coal headquarters.

Ice conditions are still hampering shipment somewhat, but the mines are busy nearly every day.

It is probably as well that the British strike ended when it did, for attempts to ship Nova Scotia coal overseas might have spread the trouble to this country. The executive of District 26, U.M.W., has already adopted a resolution declaring against the shipment of Nova Scotia coal overseas, and there is little doubt this would have been enforced by a new walkout if necessary.

FEATURES

Coke as Solution of Fuel Problem in Central Canada 2
A 25 Per Cent. Gain in Alberta's Farm Output 2
Investment History of the C.P.R. is Continued 3
Better Tone in Evidence in the Stock Markets 4
Milling Industry Suffers Through Over-Expansion 4
Profits of Tuckett Company Show Little Change 5
Howard Smith Co. Erecting a New Soda Mill 6
Ottawa Power Makes Progress Despite Handicap 7
Better Results Obtained by Canadian Cottons 8
Textile Annual Report Reveals $6.48 Per Share 8
Industrial Relationship Plan Stands Test of 7 Years 10
Americans Think Us Foolish to Ship Raw Materials 10
Provinces May Sell Bonds in the N. Y. Market 12
Alberta Bonds Gain Prestige as Products Multiply 12
Larger Federal Subsidy solution for Tax Problem 13
Fire Prevention Problems of Industrial Concern 14
Problems of Credit Men of Interest to Bankers 15
Hardware Trade Interested in Gasoline Prices 16
LOAN AND TRUST ANNUAL
Review of the mortgage loaning institutions, showing their huge assets available for loans and why they are ready to co-operate in any sound plan of unassisted farm credits 17-32

The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

COKE SOLUTION OF FUEL PROBLEM IN CENTRAL CANADA

Fuel Board Official Says This Country Has Nothing to Fear

The theory that economic development is based on the location of raw materials is not borne out by Canada's industrial situation. With a length of nearly 4,000 miles, coal resources at each extremity, and an ambitious industrial area in the centre, it is little wonder that there are industrial difficulties in Canada. But a valuable hint as to how these difficulties can be overcome was learned in the coal strike which tied the Canadian industry up very seriously three years ago. C. P. Hotchkiss, executive secretary of the Dominion Fuel Board sums the situation up thus:

The seriousness of our coal situation during the winter of 1922-23 awoke the people of Canada to a national consciousness of the fact that the central business heart of our country had become abjectly dependent for domestic fuel on a single source of supply, and that a foreign one, closely controlled by a small group of powerful interests. Its delivery had been interrupted time and again by strikes and transportation tie-ups, causing great inconvenience to Canada, and while we have had no cause for complaint as to how we have been treated in regard to allotments during such periods in the past, it is essential that we pause and give very serious consideration to what may be expected in the not distant future.

During these periods of shortage there has been bitter complaint in many of the United States that coal needed to keep Americans warm was being shipped to Canada. Furthermore, the anthracite supply in the United States is being rapidly exhausted. That of the Wyoming Valley, situated most conveniently for transportation to Canada, will last, it is estimated by competent authorities, only 35 years. Long before that time it is reasonable to expect such a rise in price as to shut off the great volume of coal sales in Canada, if, indeed, public opinion in the United States does not act sooner to accomplish the same result. As a matter of fact, at each session of Congress for the last three years bills have been presented providing for an embargo on shipments of anthracite to Canada. They did not pass, but the fact that they were introduced indicates the drift of public sentiment.

Public Feeling Aroused

During the spring of 1923, public interest was aroused regarding our fuel position to an unprecedented degree. Since that time there has been an insistent demand that our own wonderful fuel resources in Eastern and Western Canada be developed for use in our coalless regions and that other competitive domestic fuels be made available in the markets of Central Canada. Our fuel problem thus became a national issue of major importance and parliament has gone on record as approving of the formulating of a national coal policy whereby it might be possible to obtain our supplies from within the empire.

The strike of 1922 led us the first step in this direction, when 166,000 tons of British anthracite was brought in to assist us in that emergency. While much of this coal was down grade and while no attempts were made to make it suitable for our household equipment, it suggested a new source of supply which might become a permanent factor in the Canadian market. When the following year high-grade British anthracites in prepared sizes were offered in markets adjacent to ocean transportation facilities, a strong demand for this fuel was quickly established. Succeeding years saw importations greatly increased until last year 545,000 tons were imported. The greater part of this tonnage was placed in the Province of Quebec and it would appear that in the future at least fifty per cent. of this market will be supplied by British anthracite.

In Ontario it was suggested that coke ovens might well be erected to ensure a continuous supply of coke as a domestic fuel. While coke was not a new fuel in the Ontario market, it had previously made little headway. There was a general impression among consumers that special equipment was necessary, that it burned too quickly and that it would ruin the grate bars in a furnace.

I do not need to tell you of the many instances that have come to my attention of the satisfaction that coke has given to consumers who have turned to this fuel. I have had dozens and dozens of people tell me of how they have cut their annual fuel bill by from $40 to $70 a year by using coke in place of anthracite. I would remind you here, however, that the quality of the coke depends on the quality of the coal from which it is made and that it is only good business on your part to offer only the best grades for sale.

The expansion of the domestic coke plant in Hamilton from a 450 ton-a-day plant to a 1,000 ton-a-day plant is a concrete example of how successful the marketing of coke in Ontario has been. The success of this plant and the fact that two other coke plants have put their coke in the domestic market, is an effective answer to those who claim that the establishment of such plants in Canada is economically unsound.

Recent Strike "Made" Coke

The recent strike has "put over" coke as a domestic fuel. It is true that a considerable quantity of inferior coke was brought in and sold during the recent strike which could not compare with standard anthracite but the public will, in future, demand of the dealer only the very best grades.

In reviewing the different fuels that came into Canada during the recent strike, it is interesting to note that in addition to the ones already mentioned a considerable quantity of German anthracite and German briquettes were brought to Montreal via Portland. From what I can learn of these fuels it would seem that both arrived in very good physical condition and gave good satisfaction. While they may become a small factor in the Montreal market, it is doubtful if any large quantities are available for shipment to Canada.

The German anthracite closely resembles Welsh anthracite and it is said that it is practically impossible to tell them apart. The briquettes arrived in very good condition and are said to be able to compete successfully with any briquette made on this continent.

A quantity of Scotch coke was also imported and seems to have been quite satisfactory. It is about equal in quality to good gas coke and can compete in St. Lawrence ports with such coke.

Nova Scotia coke also moved in considerable quantity into Montreal and Eastern Ontario and clearly demonstrated that this fuel should find a permanent place in the domestic markets of Quebec and Eastern Ontario.

To sum up, it seems to me that the strike has taught us that we have nothing to fear from future disturbances in the anthracite industry if we continue to develop healthy competitive conditions among the many satisfactory higher grades domestic fuels that are available. It has given the necessary impetus to the demand for coke to warrant the establishment of this industry in Central Canada on a large scale. It has crystalized the determination of the consuming public to extend the markets for our own fuel by taking whatever steps are necessary to effect this end and I consider it has firmly established the alternative, or the so-called substitute fuels, for American anthracite to an extent which has freed us from future dependence on the whims of the American anthracite miner or operator.

Canadian Business Indicators

INDUSTRIAL

Car Loadings—

	1926	1925
Week of May 8	57,368	50,521+13.5%
Year to date	992,531	926,986+ 7.0%

Grain Receipts—

Aug. 1 to May 7	339,146,941	232,106,742+46.1%

Building—

4 months	$41,013,738	$34,163,659+ 20%

Railway Earnings—

3 Months—	1926	1925
C. P. R.	$40,344,958	$ 36,614,770+10.1%
Oper. Exp.	33,813,891	32,759,089— 3.2%
Net	6,531,067	3,855,681+69.4%
3 Months—		
C. N. R.	$57,004,263	$51,436,454+10.8%
Oper. Exp.	49,866,276	48,916,204+ 1.9%
Net	7,137,987	2,520,250+183.2%

Pig Iron Output—(tons)

Mar., 1926	Feb., 1926
53,251	49,746+ 7.1%

FINANCIAL

Bank Clearings—

	1926	1925
April	$1,467,421,291	$1,277,909,528+14.8%

Savings Deposits—Chart. Banks—

March	$1,337,573,153	$1,266,231,798+ 5.6%

Current Loans—By Banks—

March	$900,379,266	$917,645,337— 1.8%

COMMERCIAL

Balance of Trade—

12 months, Mar. 31—	1926	1925
Exports	$1,315,192,791	$1,069,067,353+23.0%
Imports	927,323,625	796,932,537+16.3%
Balance	387,869,166	272,134,816+42.5%

Wheat, No. 1 Nor., Winnipeg—

1926	1925
May 17, $1.53	May (Av.) $1.82

Cattle—(Good, Toronto)

May 17, $8.15	May (Av.) 17.48

Hogs—(Select, Toronto)

May 17, $13.26	May (Av.) $12.58

Twenty-Five Per Cent. Gain in Alberta's Farm Output

A twenty-five per cent. gain in the farm revenue of Alberta was the record made last year, and this is probably a fairly accurate measure of the degree of improvement in general buying power. Aggregate farm revenue was $245,662,000 out of an estimated total from all branches of production, of $314,080,000. This places Alberta close to the top of the list in per capita buying power, and also in actual business betterment.

The saving feature in the Alberta farm situation is that there is a greater degree of diversification than almost anywhere in the West. Their $245,662,000 was made up of $194,356,000 from the field crops, which are themselves widely diversified; $24,972,000 from farm animals; $17,015,000 from dairy products against $12,584,000 in 1924; $6,859,000 from poultry and eggs. There are also a number of other smaller items.

The rural sections of Alberta are filling up rapidly with a fine, sturdy class of settlers. Every week sees large numbers going through Calgary and Edmonton to the Peace River area and to other sections of the North, and the choicest homesteads are greatly in demand. There are large numbers of British and United States settlers as well as a goodly number of sturdy farm stock from central and northern Europe. These latter are bringing with them one outstanding asset — experience with similar land and similar conditions.

Building is active in Alberta although much less new construction is under way than in the adjoining province of British Columbia. Much is being done in the way of roadway and bridge building and improvement, and such projects as the Spillers' flour mills in Calgary are rushing to completion.

There is still very keen interest shown in the oil industry. The Royalite No. 4 well in the Turner Valley field, 45 miles southwest of Calgary continues to produce high grade naphtha at the rate of about 600 barrels a day in addition to 18,000,000 or 19,000,000 cubic feet of natural gas. General business is reported to be better than at this time of year for several years. Seeding is just being completed, under very favorable conditions, in most sections, and the outlook at this early date is exceptionally good. It is estimated that nearly 150,000 tourists visited the parks of Alberta last year. A large percentage of these were from outside the province. Assuming that only half of them were outsiders, and that each of them spent only $200 during his visit, this would mean $15,000,000 brought into the province. It is estimated that this figure might be doubled.

West's Grain Shipments Bring Car Loadings Up

A sharp upward turn in revenue car loadings took place week ending May 8 due to increases in the grain and merchandise shipments in the West. Total Western loadings increased by more than 1,200 cars while those in the East increased only marginally. Taking the total for Canada there were increases in grains, livestock and coal while the other classes of loadings such as lumber, pulpwood and ore showed losses. The cumulative total for the year to date was 673,977 against 606,411, a betterment of 11 per cent.

Building in West Shows Rapid Growth

Typical of the general activity in building which marks many sections of the West this spring is the rapid growth in Edmonton. For the first four months of the year the total number of permits issued by the city amount to $474,000 which is an increase of 50 per cent. over the corresponding 1925 total. The bulk of the new building is residential, permits for eighty new dwellings having been issued to a total of $229,000.

1925 Tourists Brought $188,000,000 to Canada

Although many are skeptical with regard to the accuracy of published estimates of the revenue brought into the country by tourists, the estimate made by A. W. Campbell in his "The Highway, the Motor Vehicle, and the Tourist in Canada," is of interest. Mr. Campbell estimates that the industry brought $188,000,000 into the country last year, and that Canadians left $60,000,000 in the United States.

One interesting item in the publication is the statement that the nine provinces collected revenues from motor vehicles amounting to $17,570,245, including $4,068,156 in gasoline taxes.

TO DEVELOP TRADE WITH THE ORIENT

Vancouver Board of Trade Arranging to Send Delegation Across the Pacific

VANCOUVER.—Believing that the future holds a big increase in Canadian Oriental business, the Vancouver Board of Trade has arranged for a trade delegation to visit the Orient in the Spring of 1927. The board is impressed with the fact that no better means could be adopted towards bringing about increased trade relations with the Orient than by sending a representative group of members to meet and exchange views with business men there.

The visit to the Orient is not a new proposal, as the matter was very much alive in 1920. A delegation of twenty members of the Board of Trade had completed all arrangements to leave at that time. Owing to difficulty of obtaining adequate transportation, however, the plans were abandoned.

The delegation will call at all important points in Japan and China, and sufficient time will be allowed in every city to provide full opportunity for an interchange of views on trade conditions.

The decision to send the delegation is the culmination of many representations from the chambers of commerce in Japan and China.

Visiting principal cities of the United States, representatives of the Associated Chambers of Commerce of Japan, who arrive at San Francisco on June 14, will conclude their tour here on August 5, according to word received here by the Japanese consulate.

The Japanese business men who will visit this city are members of one of two parties which are being sent out this summer by the Associated Chambers of Commerce to investigate foreign business conditions. The other party will go to Europe via Australia and India. The tour was arranged by the Kyoto Board of Trade.

Vancouver and Winnipeg will probably be the only Canadian cities visited. The itinerary, which has not been completed, includes Los Angeles, Denver, Chicago, Kansas City, New York, Boston, Detroit. The party will then go to Winnipeg, making a brief visit there, and arriving here in time to sail on S.S. Empress of Canada.

RANCHING IN THE FAR NORTH

EDMONTON.—A large number of cattle will be sent this spring to the Fort Fitzgerald country, 600 miles north of Edmonton. They will be taken by train to McMurray and thence by boat to their destination. Although the Fitzgerald district is far north, on the limits of Alberta's boundary it contains an excellent farming and ranching area and has been proved suitable for the raising of livestock. This will be Canada's farthest north ranching district.

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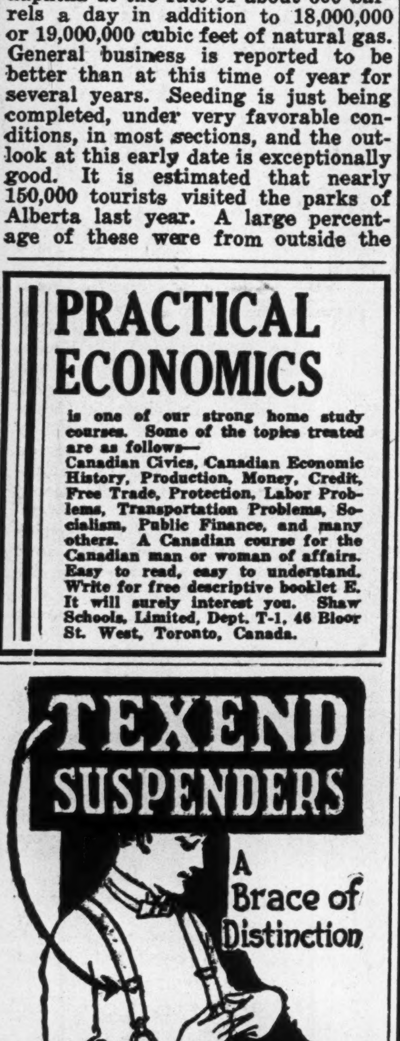
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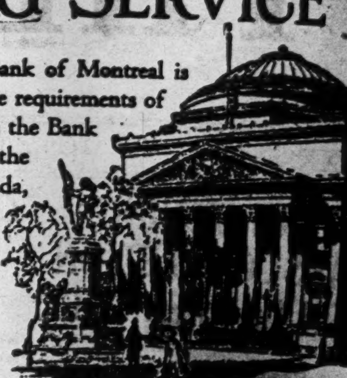
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Client "C"—Reorganized the entire sales department, and strengthened the field force, which we also placed on an improved earning plan, which reduced sales cost.—Result, Salesmanager and field force are making more money.—So is the client.

Client "D"—Made an exhaustive investigation of merchandising methods, with a close study of each, and the resistance through the wholesale house to the retail store, and to the final consumer. Defined new sales policies, and an improved advertising program. — The recommendations in our report were adopted by the Board of Directors almost 100%.

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The Investment History of the C. P R.

How Van Horne Convinced the Arbitrators That the C.P.R. Had Builded Well — Line Received Government Support But Gave Value for Value

By RIELLE THOMSON, Eastern Editor, The Financial Post — Fourth Article

The men who served on the C.P.R. board of arbitration in 1889 were the leaders in law and business at the time. Many names, now famous in Canadian history, appear in the list. Above is shown the board. Upper row, left to right: W. D. Hogg, Mr. Blackstock, C. Robinson, L. K. Jones, Mr. Cassels, B. B. Osler, Judge Clark. Bottom row, left to right: Mr. Butcher, C. C. Gregory, E. Blake, Chancellor Boyd, W. C. Van Horne, T. Keefer and C. Schreiber.

CANADIAN PACIFIC through train service to the Pacific Coast commenced in the spring of 1886. Here it is worth while, from a shareholders' point of view to interject an ancedote, told in Vaughan's life of Sir William Van Horne, which indicates that these pioneers builded and builded well.

The C.P.R. at this time was claiming compensation for the unsatisfactory condition of some sections of the road which had been built by the government. Van Horne's private car carried the arbitrators and counsels for the contending parties to the coast so that they could see the road for themselves. To prove that those sections which had been built by the company were safe, Van Horne instructed the engine driver to "let her out." He "let her out" to the tune of 17 miles in 15 minutes between Golden and Sir Donald. The arbitrators after this wild ride needed to call no witnesses to prove that the C. P. R.'s section of the road had been built up to specifications.

The road lives up to the standards set for it originally and it has always been well maintained. An incident which occurred just preceding Shaughnessy's death shows that the maintenance of the road still comes first. "Take good care of the Canadian Pacific Railway. It is a great Canadian property and a great Canadian enterprise," were his last words to E. W. Beatty.

Financial Position in 1885

But to return to the road and its financial position at the time of its completion in 1885.

There are two widely divergent views taken of the enterprise at that time. One is set forth in R. G. MacBeth's book on the C. P. R., in which the road and everything to do with it are viewed through the rosiest of spectacles and all its works are praised, if not in extravagant terms, at least, shall we say, in advertising terms.

Again there is the diametrically opposed viewpoint which, while less frequently expressed, yet nevertheless is certainly not based on false premises. It concerns the early insignificant capitalization as compared with the immense governmental assistance by way of subsidies, concessions, land grants and bond guarantees afforded the company at its inception and during the years 1882-1885. The peculiar thing is that those who are the most vociferous in expressing both views are usually quite unacquainted with the facts.

Treatment Generous, But Reasonable

The C.P.R. received generous treatment at the hands of the government of the time. But what similar corporation of the day did not? Furthermore, corporations then were not the only ones to receive government support and individuals were known to have benefited through governmental largesse—but there is one marked difference between the C.P.R. and other Canadian railways, either before or since. In return for value received, the company has given definite services to the country of its birth. Other corporations have received generous treatment, but the C.P.R. seems to be practically unique in the history of the exploitation of the Dominion, for not one mile of its road was jerry-built, and moreover, it has played a helpful part in building up the country, not only through its successful efforts to settle the west, but also by carrying the word "Canadian" to all parts of the globe. Incidentally, it has spent well over $70,000,000 in bringing settlers to the Dominion.

A More Considered Opinion

A more tolerant and considered opinion of the inception of the road inclines to the belief that the middle ground between such opposed opinions is probably correct. Furthermore, it must be remembered that the interests back of the C.P.R. did not merely invest a portion of their resources in its formation, but gave their all, even to the uttermost farthing. It is admitted that both Stephen and Smith, during the financial difficulties, faced personal ruin, had the road not been completed successfully. So that these men, in obtaining government guarantees and financial aid, were asking the Dominion's help in a project which they knew would not only prove a monetary success, but whose success would also be reflected in a decided betterment in the prosperity and general weal of the whole country. Events proved them correct.

Assistance to Road

It is worth while to see exactly what assistance was given to the railway at this time and then to compare with this the outstanding capitalization. Here then is set for the various subsidies, grants and financial aid given the C.P.R. since its inception to date:

Direct to Company

Cash from Dominion government	$ 31,632,280
Cost of government sections of 700 miles or road handed over to company	37,785,320
Provincial subsidies	412,878
Municipal subsidies	464,761
	$ 70,295,239

Subsidies to Subsidiaries*

From Dominion	$ 13,129,873
From Provinces	12,016,257
From Municipalities	4,632,422
	$100,073,791

*Some of which were acquired after subsidy had been paid.

Sundry Assistance and Grants

Land grant	25,000,000 acres
Sums necessary to confiscate lands for C. P. R.	unknown
Exemption from taxation of property and capital stock	unknown
Exemption from import duties	unknown
Souris branch land grant	1,702,458 acres
*Loan from Federal Government	$29,880,912
§Bonds guarateed by Federal Government	$15,000,000

*Repaid later by the company.
§Paid by company later.

Other Advantages Also

This assistance granted to the company compares with a total common share capital in 1866 of $65,000,000. However, the C.P.R. obtained many other advantages at this time through its acquisition of other lines. These roads, in most cases, had received heavy government subsidies and due to reckless expenditure in construction were in no position to meet fixed charges. Consequently the Canadian Pacific was in the happy position of being able to acquire these additional assets at a relatively low price and through their acquisition, the company benefited to no inconsiderable extent. However, it is fair to state that the advantages so gained were not a charge upon the Dominion and in the end proved beneficial, not only to the road, but also to the country as a whole. Furthermore, it was not the C.P.R.'s fault that the government had made these grants.

After the completion of the road to Vancouver in 1887, came a period of branch line building and expansion which coupled with excellent earnings enabled the road to repay, almost immediately, its loans from the government; this period of prosperity is the basis on which the road's present strong financial position is founded.

Future of Canada's Greatest Security

This is the fourth article in a series that will comprise the most comprehensive review ever given of the security that has for many years ranked as Canada's premier investment.

Perhaps you own C. P. R. stock now. Whether you do or not, you have probably wondered how the conditions of the past few years have affected the position of C. P. R. stock. To find the real, authentic answer, we have studied the whole financial history of the C. P. R. and analyzed every phase of its present position. The result of this study, which has been proceeding some months, has been the preparation of a series of twelve or fifteen articles telling the whole investment history of the C. P. R., and leading up to an accurate, informative analysis of the present position and prospects. The articles are written in easy, readable style—devoid of technicalities and difficult statistics. All of the articles will be well illustrated.

B.C. Fast Becoming an Industrial Province

NEW WESTMINSTER.—Great faith in the future of British Columbia has been shown by the establishment of many new industries and the expansion of those already existing, said A. A. Milledge, secretary of the B. C. Products Bureau, Vancouver, addressing the Kiwanis Club.

In 1910, the speaker added, there were 392 plants having a production valued at $35,000,000 and employing 11,000, with a payroll of approximately $14,000,000.

In 1925 the number had grown to 1,500 plants with a production of $190,000,000 and a payroll of $41,000,000 to 38,500 employees.

Trade had shown a general improvement last year, not only in the basic industries, said the speaker, but in various lines of manufacturing as well. Under present conditions this business would grow and continue to expand for two more years at least.

The growth of business in the province, said Mr. Milledge, was due chiefly to the great increase in domestic production. If, however, the British Columbia people spent 25 cents a day more, it would mean adding $17,000,000 to the industries of the province.

QUEBEC APARTMENTS FINISHED

MONTREAL. — The Quebec Apartments have been completed and at the present time over 55 per cent. of the building is rented and occupied; indications point to a considerable increase in the number of rentals by September next. In the meantime, the Financial Post learns that the present rentals are sufficient to cover the bond interest requirements.

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The Securities Markets

BETTER TONE IN EVIDENCE IN THE CANADIAN MARKET

Underlying Strength Shown by Advances of Favorites

Market Indicator

	High	Low
20 Industrial Stocks		
Week of May 19	90.0	88.2
Week of May 12	89.8	87.7
Mth. of May, 1925	78.2	71.7
9 Bank Stocks		
Week of May 19	$222	$221
Week of May 12	222	221
Mth. of May, 1925	206	203
10 Public Utilities		
Week of May 19	93	91
Week of May 12	92	91
Mth. of May, 1925	85	81

With the clearing of the air following the British strike and the indications of a more satisfactory working out of the industrial situation there than seemed probable, or even possible a week ago, there has been a moderate recovery in Canadian stocks led by some of the speculative favorites. However, hopes for a resumption of the spring rise which was interrupted by the British developments are not strong in view of the advanced season and there are indications that the market is entering on a period of comparative inactivity such as is usually experienced during the summer. Despite continued moderate improvement in Canadian business and evidences of stability, the New York market and the American business situation promise to supply the chief influences of the immediate future and they are not offering much encouragement to those looking for higher prices. In the face of favorable developments, such as the $4 special dividend on General Motors, Wall Street prices have failed to make much headway and the fact that the recovery following the settlement of the strike has not been of such proportions as the decline on the first news of the trouble seems to definitely indicate that the strike was made an excuse rather than a reason for liquidation and that it merely accentuated the general downward trend.

The renewal of strength noted in the Canadian markets during the week, while hardly promising a resumption of the bull movement, is impressive under all the circumstances and indicates that the summer season will be entered with considerably underlying stability. Even though there may be no general advance during the "off" period, the indications are that there will not be liquidation unless there are distinctly unfavorable developments. Prices of Canadian stocks are still at a level representing a considerable advance from the level of depression reached a year or so ago but they have not been inflated as they were during the period of speculative activity in Wall Street last winter. With good crops this summer to sustain buying power, business should continue generally good and earnings of industrial companies should reflect this situation.

Canadian business will no doubt be affected to some extent by developments in the United States, but there are still lacking definite indications as to whether the present trend of the Wall Street market is in the nature of an adjustment from speculative excesses or whether it presages a period of business depression. Thus far the reports on trade conditions merely indicate disappointment as to the extent of business increase rather than a depression. However, it is usually the case that when over-production or over-expansion occur in one industry the resulting adjustment is carried into other industries. If the building boom subsides and the automobile industry finds that hopes for continued expansion were too optimistic, it may be that allied industries will be similarly affected — this in turn having its bearing on buying power of a large number of people—there may be a general slowing-down in getting back to a more sound basis. In such a situation the instalment selling system, which has been so generally adopted in present-day merchandising, particularly in the United States, would be put to that test which it has been predicted it will face sooner or later. As to the outcome of such a test financiers and business men hold distinctly conflicting opinions.

One factor in the situation which favors the argument of those who hold that the U. S. market adjustment will be carried little if any further, is the large supply of money available for investment purposes. In the past bear markets have usually been accompanied by financial stress and this situation has not developed in connection with the present slump which has, therefore, been described by some market students as an adjustment rather than a major trend. Opposed to this is the argument that cheap money does not insure business prosperity and that security prices are based on dividends which are a reflection of earnings.

The following opinion of the stock market outlook is by Gerard Swope, president of the General Electric Co.:

"It indicates that stock market prices were too high. Many of us have thought they were too high. I think stock market prices were based on very vivid imaginations. In the final analysis, market prices must depend on earning power. And secondly, many of us felt that the year 1926, and I said this late in December, 1925, would not be an exuberant one.'

From the following summary it will be noted that advances have been in the majority in the Canadian markets during the week and that the steel, foodstuffs and tractions groups have been responsible for most of the gains. In the steel stocks assurances that the automobile parts industries will get some concessions from the first drastic regulations of the federal budget has no doubt been a factor.

	Gains	Loss	Unch.	Ttl.
Banks	3	5	1	9
Paper	3	5	9	17
Steel	11	5	13	29
Foodstuffs	13	6	15	34
Utilities	5	11	10	26
Tractions	5	3	6	14
Textiles	3	3	7	13
Industrials	17	8	19	44
Totals	60	46	80	186

Atteudu Engines' Stock Is Montreal Feature

From Our Own Correspondent

MONTREAL.—The one outstanding feature of the Montreal Exchange this week was the startling rise in the stock of Attendu Engines. The buying is caused by the prospect of an early and favorable decision by the U. S. government to adopt the engine for its new dirigibles which are to be built.

Should this occur, there is no doubt that the value of the engine would be more generally recognized, and that the company's marketing problem would not be so acute.

Ontario Steel Recovers From its Budget Slump

Special to The Financial Post.

MONTREAL.—The stock of the Ontario Steel Products made a considerable recovery this week in an inactive market. When the tariff changes were first announced, the stock slipped badly; the company manufactures many automobile parts. Opening the year around 70, the stock advanced to a high of 76, reacting to 60 with the budget announcement, and since recovering to about 68.

The present fiscal year has been a good one, and it is understood that the management will again reduce the goodwill account by a substantial amount, and at the same time set up a reserve to take care of the outstanding bonds. If the tariff changes go into effect without alteration, it appears unlikely that the bonus of 1 per cent. which was paid last summer will be repeated, but there are pretty definite hopes for concessions of a substantial nature to both car and parts manufacturers.

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co., for the period May 1, to May 7, inclusive, totalled 10,759 tons, of which 8,343 tons were produced by the company's mines. The total for the year to date is 188,594 tons.

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Food Products

MILLING INDUSTRY SUFFERS THROUGH OVER EXPANSION

Profit in Export Market Varies Month by Month

From Our Own Correspondent.

MONTREAL.—Of late, many of the flour milling stocks have declined sharply, and investors are wondering whether there is anything radically wrong with the Canadian milling industry as a whole. At the present time there are several factors which combine to harass the Canadian millers—and, indeed, the millers throughout the world.

The market for Canadian flour may, of course, be divided into two parts: the domestic and the export. In the domestic market selling policies during the last few years have undergone radical changes. Three or four years ago flour was always sold for delivery at 30 days, or possibly less, and in some instances a little longer. But to-day the millers make long-term contracts with their customers; these sometimes cover the period of a year. In many instances the purchasers buy more flour from the mills than they can sell; if the price moves upward in the meantime, the purchaser, of course, is satisfied, for he can dump his surplus on the market and at the same time make a profit with such a sale.

But, on the other hand, should flour prices decline, the millers receive a flock of cancellation orders. Again, when the domestic purchasers of wheat re-sell their surplus, it is often below current market quotations, all of which tends to lower prices.

All this, though, is due to the keen competition between the millers in this market; so keen is the struggle to sell the flour that there is no co-operation between the various milling interests in Canada in this regard. Lately, competition has been extraordinarily keen, but at the moment there are signs of a slight improvement in the situation.

Probably it is the slump in export markets which has caused the competition in this country, for, as is well known, it is not the domestic, but the foreign consumption upon which Canadian mills must rely to keep their plants in full operation. So that the domestic situation in the sale of flour is traceable to the conditions which have and are prevailing in overseas markets. This brings up the question why at some periods Canadian millers can compete on a favorable basis with overseas millers, and why at other times they are not so favored.

Situation Changes Frequently

Investors in the Canadian milling stocks may perhaps feel that either the Canadian millers can, or cannot, compete favorably with millers in other markets. But the situation cannot be stated quite so simply as this, for in one month the Canadian mills can undersell foreign competitors, whereas in the succeeding month the situation might be reversed. This is the reason for the large and rapid fluctuations in the amount of flour exported from Canada month by month.

There are many other reasons for this. Here is one. In the autumn months the Wheat Pool must book its ocean tonnage for the winter; occasionally, in order to use this tonnage as scheduled, a shipload of wheat arrives in Liverpool unsold. Naturally, the British buyers immediately take advantage of the situation and the wheat in that one shipment is usually sold below the current market quotations. Through this and other causes the British miller is able to purchase wheat occasionally below the price paid by the Canadian miller; naturally, when this occurs, they can sell flour cheaper.

Tramps Carry Wheat Cheaply

Again, as wheat is such an ideal cargo, and as it can be handled so cheaply, the cost of shipping such a cargo is considerably below that of shipping flour. The difference between the freight charges on wheat and flour between this continent and Europe runs up 7, 8, 9 or 10 cents a 100 pounds. If this difference were only 5 cents a 100 pounds, the Canadian millers would be on a considerably better basis. Also, tramp steamers calling at Atlantic ports are often unable to pick up a return cargo, and, therefore, are quite willing to carry wheat as ballast at a nominal cost.

Another factor acting unfavorably toward the Canadian producers is the higher tariff put on flour by Germany last year; this year the tariff will again be raised on August 1. Shipments of Canadian flour to other countries are handicapped, too, in other ways; for instance, Greece insists on a certain chemical analysis of all its imported flour.

Canada's Flour Markets

The chief markets for Canadian flour are Great Britain, West Indies, Holland, Norway, Finland and Hamburg; the latter is a free port and many shipments go there to be later forwarded to Czecho-Slovakia. The Orient is also consuming more flour, and the future of this market is one upon which many hopes are based.

Of course, the flour made from Canadian wheat is unsurpassed in excellence, but even here the Canadian millers are handicapped by the milling in bond in the United States; Canadian millers must compete in overseas markets with Canadian flour which has been milled in the States, and also Canadian flour which has been milled and mixed with inferior grades in the States.

Industry is Over-extended

The fundamental cause of the competition by the millers probably lies in the increased milling capacity brought about during the war. This has resulted in the milling industry throughout the world suffering, and it is of interest to note that probably the British millers have suffered considerably more than their Canadian brethren.

The bright spots, of course, in the milling industry are the increase in imports of flour in the Orient and the expectation that it will not be many years before the United States consumes its entire wheat crop, and thus that country will cease to be a competitor in the world's flour markets.

MUIRHEAD STOCK FLOATED

An addition to the group of food product stocks comes out this week in a flotation of preferred and common stock of Muirhead's Cafeterias. Details of the issue are found elsewhere.

International Milling Business is Expanding

International Milling Company reports a higher volume of business during the first quarter of the year, both in flour sales and in rolled oats sales. This is due largely to increased business in Canada. Between 70 and 80 per cent. of the company's business is domestic, and only about 25 per cent. is dependent on foreign markets, therefore any delay occasioned by the strike, in forward orders, has not materially affected this company. In fact, their Canadian business has expanded to such an extent that an extension to the Moose Jaw plant will probably be made in the near future.

International Milling has declared a 1¾ per cent. dividend on the preferred stock, payable June 1 to shareholders of record May 21.

Canada Bread Preferred Was Firm Through Slump

Both the preferred shares of Canada Bread have remained firm during the period when many of the stocks on the Canadian markets were receding moderately in sympathy with the slump that occurred in New York. The "A" shares are now selling at 107 and the "B" shares at 98. The amount earned on the "A" stock in 1925 was $38.41 per share, against $31.91, in 1924; $25.64, in 1923; $19.53, in 1922; and $18.98, in 1921. These, figures stand against annual dividend requirements of 7 per cent. After allowing for preferred "A," dividends, amounting to $87,000, the amount left for preferred "B" in 1925, was equal to $16.01; in 1924 to $12.49; and in 1923, $9.34. This is against dividend requirements on the preferred "B" of 7 per cent. The safety margin on these senior issues is very substantial. The company's surplus at the end of 1925 was $1,165,769, compared with $923,103 in 1924, while reserves amounted to $1,215,038, compared with $1,014,727. At the current price of $107, the yield on the preferred "A" is 6.54 per cent., while the yield on the preferred "B" at the current price of $98.50, is 7.11 per cent.

The common stock of Canada Bread this week established a new high point at 67¼. It is rumored that dividend action will be taken in the near future. It is understood that a rate of 4 or 5 per cent. may be established within the next six months or less, but nothing final has yet been announced. Estimates of the current year's earnings are above 10 per cent. compared with net available for common stock of $9.20 per share for the last fiscal year.

Arnold Brothers Ltd. Opening New Stores

Further evidence of the success of the chain store is seen in the business of Arnold Bros., Ltd., of Toronto. Earnings of the company for the current year are running well ahead of the estimate of $192,000 made when the securities were offered to the public last fall. Dividends on the two preferred issues for the entire year were earned in the first 22 weeks of the company's fiscal year which commenced November 6.

These results were achieved at a time when the first four stores were being opened, and one of the stores had been open only a week during the period. Original plans called for the opening of 15 stores. There are now nine in operation and definite locations for four more have been picked out. The two remaining will be opened at a later date.

Dominion Stores Sales Show 20 Per Cent. Rise

Holders of the shares of Dominion Stores, Ltd., will be interested in the carrying out of the program of expansion which the company announced at the first of the year. Business has been very satisfactory during the early months of the year, and between fifteen and twenty new stores have already been opened. It was announced that something like fifty would be added during the current year. Total sales of the company for the first four months of the year totalled $4,445,984, against $3,730,937 for the first four months of last year, an increase of nearly 20 per cent.

Better Outlook Now For Salt Industry

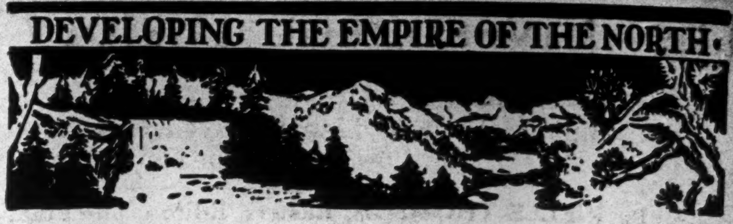
The condition of over-production which has existed in the salt industry, with the attendant price cutting, is gradually adjusting itself. As in other industries, in an attempt to cut costs by increasing production, the ability of the market to absorb the extra tonnage was not taken into account. It is stated that any real growth in the industry will depend upon the discovery of new uses for salt, or the ability to displace the imported article. Iodized salt, for example, is gaining a market as a preventive of goitre, and as cattle salt. Then, again, importations of high-grade salt have been materially lessened since the introduction of a specially purified salt, 99.95 per cent. sodium chloride. It is understood that a new salt product will be announced shortly which will further reduce importations.

Canadian Salt common continues firm around 132 and the rights at five.

Alberta-Pacific Surplus to be Shared Equally?

How the surplus of more than $3,000,000 accruing to the Alberta Pacific Grain Company from the sale of its assets to the Royal Securities Corporation of Montreal, will be distributed, will be determined when the action of George S. Holmstead, Wm. Hargraft and George Selwyn Holmstead comes for hearing before the supreme court of Alberta. The question is whether the surplus will be distributed equally among common and preferred shareholders or whether holders of preferred shares will be restricted to a return of the face value of their shares with seven per cent. interest. Counsel for the plaintiffs asked for an injunction restraining the Alberta Pacific Grain Company and the Montreal Trust Company from proceeding to distribute the assets of the company until after the action is settled. The application was refused.

The plaintiffs claim that the by-law, passed by the Alberta Pacific Grain Company, at the formation of the company, creating 15,000 shares of cumulative preference shares, of the face value of $100 each, was invalid, in that it restricted the holders of such shares to a preferance in return of their capital invested, with seven per cent. of interest annually. They allege that the Dominion Companies Act of 1922, while it gave power to company to give such preference, gave no authority to make any restrictions preventing preference shareholders sharing equally with common shareholders in any surplus.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Transforming a Wilderness into a Land of Plenty

Within a short space of time Northern Quebec and Ontario have been largely transformed from an untracked wilderness into vast productive areas.

Few of those who have not been in the North can realize the change that has taken place. The fine modern towns with their broad paved streets, their schools and churches, their great paper mills, mining plants and splendid farming areas, all bespeak permanence and prosperity.

The corner stone of this Northern industrial growth is Developed Water Power. It is the key resource of the North. The other basic industries being developed there owe their success largely to the economy and dependability of hydro-electric power.

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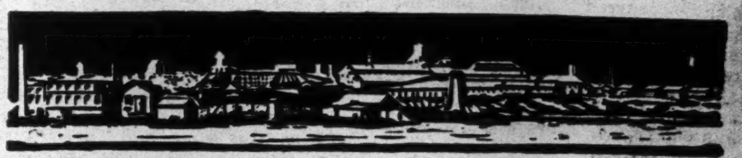

OGILVIE FLOUR STRONGER

Improving conditions in the flour industry in so far as the home market is concerned are said to be responsible for the continued improvement in Ogilvie Flour shares which are now quoted around 172. This is a high point for some weeks.

LAKE OF WOODS SHARES FIRM

Lake of the Woods Milling shares along with some of the other milling stocks have tended to recover from the recent protracted reaction. Quotations of 145 on common and 117 on preferred show improvement in both cases. This is said to be due largely to improving domestic markets. Maple Leaf Milling is firm around the same levels. St. Lawrence flour is the only milling stock showing weakness this week.

COAST PACKERS AMALGAMATE

In order to take advantage of the economies of amalgamation, especially in buying, five of the Pacific Coast fruit and vegetable canneries have just announced their amalgamation. The new company is to be known as Western Canners, Ltd. The firms entering the amalgamation are Beach-Eakins, Ltd.; Kamloops Cannery, National Canners, Pacific Berry Growers, and the Okanagan Packers.

STREET RAILWAY PLEBISCITE

London, Ont., plans a vote of ratepayers on its Street Railway problem on Sept. 27 next. The form of plebiscite to be submitted has not yet been decided upon.

NEW PREMISES

In order to afford the maximum of service to our depositors our
BAY and ADELAIDE BRANCH
moved to new and more commodious quarters in the
NORTHERN ONTARIO BUILDING
Northwest Corner Bay and Adelaide Sts.
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The Province of Ontario Savings Office

$1,215,800
Municipality of Point Grey, B.C.
5% Bonds

$145,700 due 1936 $427,500 due 1941
$129,600 due 1940 $100,000 due 1946
$413,000 due 1951

Principal and half-yearly interest payable in Toronto, Montreal, Winnipeg, Vancouver or Victoria and (with the exception of 1940 maturity) in United States funds in New York.

Denominations: $1,000 and $500.

Point Grey, with population of approximately 28,000, is the wealthiest residential section of the Vancouver area, containing the homes of the majority of well-to-do citizens. The municipality is in a strong position. During the last twelve years, the net debenture debt has increased by only 49% compared with increase in population of over 133%. Building permits during the last six years have totalled over $20,000,000.

Prices: To yield from 5.05% to 5.10%

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TUCKETT PROFITS LITTLE CHANGED IN LAST REPORT

Nice Margin Over Dividends to be Added to Surplus

Profits of the Tuckett Tobacco Company for the year ending March 31, 1926, as shown in the annual report, of $308,665 show little change from the $311,558 reported for the previous year and compare with $361,279 for the year ending in 1924. After the payment of preferred and common dividends there was a surplus of $68,664, making a total surplus of $834,015 in relation to annual preferred dividends of $140,000 and $100,000 now being distributed annually on the common. Following are comparative profit and loss account figures:

Year end. Mar. 31—	1926	1925	1924
Profits	$308,665	$311,558	$361,279
Pref. divs.	140,000	140,000	140,000
Balance	$168,665	$171,558	$221,279
Com. divs.	100,000	100,000	100,000
Surplus	$ 68,665	$ 71,558	$121,279
Prev. surp.	834,015	762,457	641,178
	$902,680	$834,015	$762,457

In his report to the shareholders, Howard S. Ambrose, the president, states that inventories which stand at $2,136,714 have been increased somewhat over last year, when the figures were $1,715,166, but the liquid position of the company's finances has been well maintained. The tendency of the public, he states, still leans toward the lower-priced brands, and "a change is not looked for in this respect until there is improvement in the general business conditions of the country." He proceeds to say further:

"The heavy Customs duty on raw leaf, and high excise duty on the finished product are an impediment to the expansion of the tobacco business in Canada. While the large difference as at present exists between the rate of taxes in Canada and those imposed in the United States continues, smuggling of American manufactured tobacco products into Canada will continue on a large scale, thereby not only inflicting a loss to the Canadian manufacturer, but also to the revenue of the Canadian Government by reason of the evasion on smuggled goods. It is hoped the government may see its way to adjust tobacco taxes to a basis that will correct the situation."

In the balance sheet, cash at $19,913 is lower than a year ago, when $158,755 was shown, while bills and accounts receivable are larger at $489,916, against $469,473 in the previous year. Bills and accounts payable this year are shown at $348,809, against $179,483, while surplus at March 31, 1926, was $902,680, compared with $834,015 a year ago.

The company's assets total $6,431,489, of which the main items are $1,184,540 for plant and buildings, $2,136,714 for inventories and $2,478,672 for goodwill, trade marks, etc.

Competition Results Is a Cut in Pig Iron

Full-time operation in many of the largest mills and plants, and the healthy, if somewhat spotty, operation of plants in the metal-working industry generally, continues, with little in the outlook, apart from uncertainty in the automotive and allied industries, to belie the optimism expressed. There is as yet no sign of commencement of what seems to be a yearly curtailment in industry during the summer months. The only discordant note of the week was a cut in pig iron prices, says Canadian Machinery.

The steel industry feels that, in the announcement by the tariff advisory board that it will next week open an inquiry into the tariff in its relation to the iron and steel industry, there has come a turn in the road that will lead ultimately to more reasonable and intelligent treatment of the industry at Ottawa. The inquiry is to be based on briefs from the Algoma Steel Corporation and the British Empire Steel Corporation.

Market Adjustment to Take Several Months

The market has accomplished little either way recently, and we think it unlikely that any pronounced tendency is likely to develop in the near future, says Hayden, Stone & Co., Boston. We are undergoing a process of adjustment that is irksome, but essential. The element of time must be considered. We have only just finished with the greatest bull market on record, covering a period of two years. We cannot very well expect another bull market right on top of this; it is only three months since the upswing terminated. It will take at least several months longer before the adjustment is completed. Note that we say "adjustment" and not "liquidation." The situation is too sound to call for any drastic and horizontal liquidation; indeed in some cases adjustment of price to earnings may well mean an upward rather than a downward movement. These, however, are probably in a small minority. Some letdown in business, such as it is only reasonable to expect after the high pressure of the past year, means probably a continuance of an orderly and individual adjustment of prices to somewhat smaller earnings. It can be only by such a process that the foundation can be laid for another constructive market which, fortunately, is always the popular expectation. Patience, and a liquid position, are the requisites necessary for being able to take advantage of the opportunity when it again offers.

SOUTHEASTERN POWER EARNINGS

Southeastern Power and Light Company reports the earnings of its operating subsidiary, Alabama Power Company, for the month of April, was as follows:—

	1926	1925
Gross earnings	$1,012,182	$ 841,411
Oper. exp. (inc. taxes)	495,801	416,186
Net earnings	$ 516,381	$ 425,225
For 12 months end. April 30, 1926—		
Gross earn.	$12,560,002	$9,386,604
Oper. exp. (inc. taxes)	6,853,356	4,699,695
Net earn.	$5,706,646	$4,686,909

Lyall Common Advances on Big Toronto Contract

From Our Own Correspondent.

MONTREAL.—The P. Lyall Construction Company has closed a contract for the work of the Toronto Terminals Company. This, with the extensive work being undertaken on the Welland Canal, will keep the company busy for the next four years.

The annual report will soon make its appearance, and those close to its operations say that net earnings will be close to $300,000, as compared with net earnings of $260,120 in 1924. It is understood that the 1925 statement will show that the liquid position of the company has not altered materially.

Lyall common has been advancing impressively of late. It opened the year around 25 and is now selling at nearly double that figure.

The annual report of the company will make its appearance shortly, and people close to the company are of the opinion that net earnings will amount to about $300,000. In this connection, it will be recalled that the company earned $260,120 in 1925, and had a working capital position of $1,268,874. It is expected thtat the forthcoming statement will be much the same in this respect as last year.

Canada Cement Prices Reflect War in Quebec

MONTREAL.—For the first time in well over a year the shares of the Canada Cement Co. have changed hands below par. The reason lies, of course, in the present price war which is being waged with the National Cement Co., in the province of Quebec. Incidentally, the fact that the stock did not slump even lower says much for the financial strength and management of "Cement."

The general impression appears to be that the present struggle may be of considerable duration; if this be so, there would appear little chance for anything like a recovery in the stock market prices of "Cement," despite the fact that building activities this year are bringing a good volume of business to the company.

The Canada Cement Co. has announced the purchase of a gypsum deposit near Cranbrook, B. C., where it is intended to erect a small plant to treat the mineral. Until the mill is erected, the gypsum rock will be shipped to the company's plant at Exshaw, Alta.

Stock Market Record

WEEK ENDING MAY 18

	Div. Rate	Yield May 17	High for wk.	Low for wk.	Close May 18	Close May 11	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.98	220½	216	217½	219¼	112	226	214
Dominion	12+1	6.09	213½	210	210	214	8	219	210
Can. Nationale	10	6.36	157	157	157	157	26	170	157
Imperial	12+1	6.27	207	201½	205½	201½	132	215½	200
Montreal	12+2	5.38	260	257½	260	257½	39	263	251½
Nova Scotia	16	5.58	286	285	285	287½	47	300	281
Royal	12+2	5.62	250	249½	249½	250½	113	255⅛	248
Standard	12	6.09	197⅛	196½	197⅛	197	68	200	195
Toronto	12	5.63	215	213	213	215	3	222	213
Paper—									
Abitibi com. (no par)	4	5.51	72½	71	71¼	72½	991	85½	71
Do. pref.	7	6.42	109	109	109	110	6	116	109
Abitibi com. (new)	.	....	..	...	...	...	...	22	22
Do. pref. (new)	.	....	..	...	...	...	.	68¼	68¼
Belgo-Can. com.	6	6.00	..	...	...	...	...	100	100
Do. pref.	7	7.14	98	97½	97½	97	57	101	95¾
Brompton (no par)	.	....	30	29	29	30	1085	35¼	26
Laurentide	6	7.14	85¼	83	83	84¼	1052	93½	83
Price Bros. com.	2	2.94	68	68	68	64½	35	72	57
Do. pref.	6½	6.66	..	...	...	...	...	100	95
Prov. Paper, com.	6+1	6.86	..	...	...	...	...	104	100
Do. pref.	7	6.76	..	...	...	...	...	104½	100
Smith, Howard com	.	....	45	43	43	43	110	54½	38
Do. pref.	8	8.33	96	96	96	96	70	101	92¾
Span. River com.	7	7.19	98¾	97	98	97¾	783	100	97
Do. pref.	7	6.42	109	108¾	109	109	121	119	108
St. Maurice Paper	6	5.66	..	...	...	...	...	106	104½
Wayagamack	.	....	61	57	57	62	195	83	57
Steel and Steel Industries—									
B.E. Steel com.	.	....	1¼	1¼	1¼	1	160	3½	½
Do. 1st pref.	.	....	15	14	14½	12¾	320	30	11½
Do., 2nd pref.	.	....	3⅝	3	3¼	3¼	325	10¾	2¼
Can. Car & Found. com.	.	....	..	...	...	...	...	49	33
Do. pref.	7	8.75	80	79	79	80	15	85¾	73
Can. Fairbanks pref.	.	....	..	...	...	...	...	60	60
Can. Gen. Elec. com. (par $50)			50	50	50	47	1	51	47
Do. pref. (par $50)	7	6.36	55	54⅞	54⅞	56	760	60	54⅞
Can. Locomotive com.	.	....	..	...	...	...	...	42	35
Do. pref.	7	8.43	84	83	84	83	27	89½	73
Canada Iron com.	.	....	10	10	10	10	21	10	10
Do. pref.	.	....	41	40	40	40	114	42	39
Dominion Coal	.	....	50	50	50	45	40	52	40½
Dom. Iron, pref.	.	....	8	7¾	8	7	115	24¾	7
Dom. Bridge	4	4.23	96	94	94	93	180	99½	80
Dom. Radiator, pref.	7	6.89	..	...	...	...	...	103½	101½
Dom. Steel Corp., pref.	.	....	11½	11½	11½	10¾	5	25	10⅝
Ford Motor	10	....	..	...	...	...	...	622	500
Massey-Harris, com.	.	....	48½	48⅜	48½	47	110	60	40
Do. pref.	7	7.44	94	94	94	94	59	97	93
N. S. Steel, pref.	.	....	25	25	25	25	25	25	25
Ontario Steel com.	4	5.88	68	68	68	61	55	76	60
Do. pref.	7	6.86	..	...	...	...	...	102	100
Russell Motors com.	.	....	..	...	...	...	...	42	39
Do. pref.	7	8.97	78	78	78	79½	10	80	76
Sawyer-Massey pref.	.	....	..	...	...	...	...	13	5
Steel of Can., com.	7	7.00	100	98	100	100	641	106½	95⅛
Do. pref.	7	6.11	115	114¼	114½	114½	95	118½	114
McKinnon Ind., com. (no par)		....	17	17	17	18	25	26½	15
Do. pref.	7	7.95	88	88	88	89	70	92	88
Milling and Feedstuffs—									
Arnolds com.	.	....	21¾	19⅞	21¾	20	738	21½	18
Do. pref.	7	7.69	91½	90½	90½	90½	89	91½	89½
Atlantic Sugar com.	.	....	23½	22	22¾	21½	965	33⅞	21½
Do. pref.	.	....	..	...	...	...	...	88	75
B.C. Fishing	5	7.81	64	63	64	62½	310	75¼	57¼
Canada Bread com. (no par)	.	....	69¼	65	67	65½	787	69¼	53
Do. pref. (A)	7	6.54	107	107	107	107	35	110	105
Do. pref. (B)	7	7.10	98½	98	98	98½	121	98½	96¼
Can. Canners com.	.	....	13	12½	13	12¾	6	15	12½
Do. pref.	1	....	64	63	63¾	63	279	67¾	60
Canadian Salt	8	6.06	..	...	...	...	...	145	130
Christie Biscuits com. (no par)			..	...	...	...	...	63½	44¾
Can. Bakeries com. (no par)		....	27½	26½	26½	27	32	36	26½
Do. pref.	7	7.40	94½	94½	94½	95	5	98½	92⅞
City Dairy com. (no par)	12	4.41	68	67	68	67	23	81	67
Do. pref.	7	6.54	107	107	107	107	4	112	107
Cuban Can. Sugar com.	.	....	..	...	...	...	...	5	3
Do. pref.		....	..	...	...	...	...	28	22
Dom. Stores com. (no par 60c)			58	57½	57½	58	11	68	56
Do. pref.	8	6.95	..	...	...	...	...	116	106
Wm. Davies (A) (no par)	.	....	30	30	30	30	10	37½	30
Inter. Milling pref.	7	6.93	101½	100	101	101	131	105¼	100
Lake of Woods com.	12	8.27	145	139	145	140	243	175	139
Do. pref.	7	5.98	117	117	117	16½	15	117	115
Maple Leaf Mill. com.	.	....	60½	60½	60½	60⅛	5	88	50⅛
Do. pref.	7	7.44	94	94	94	94	35	102	94
Ogilvie Flour com.	5	2.90	172	165½	172	170	60	200	165½
Do. pref.	7	5.93	..	...	...	...	...	125	117
Pure Gold Mfg. (no par)	50c		..	...	...	...	...	23½	20
Shredded Wheat	10	5.26	..	...	...	...	...	218	169½
St. Law. Flour com.	.	....	38	37¼	36	35	95	45	28
Do. pref.	7	8.53	..	...	...	...	...	84	82
Viau Bis. com.	.	....	25½	24¾	25	25½	403	25½	18
Do. pref.	.	....	87	87	87	87	125	89	87
West Can. Flour	8	8.00	..	...	...	...	...	115½	110
Western Grocers com.	.	....	5	4	4	5	19	13¼	4
Do. pref.	.	....	51	50	51	50½	34	64	49
Utilities—									
Consumers Gas (rights)			4.85	4.00	4.00	....	1020	4.85	4.00
Bell Telephone	8	5.90	136	132	136	131½	778	1.41	1.31
Consumers Gas	10	5.71	180	174	175	180	154	183⅞	172½
Inter. Utilities (A) (no par)	87¼c	....	..	...	...	...	...	38½	32½
Do. (B) (no par)	.	....	..	...	...	...	...	9¼	7½
Cedar Rapids	3	....	..	...	...	...	...	40	40
East. Koot. Power		..	..	...	...	...	...	32	25
Jamaica Pub. Ser. pref.	7	7.07	99	98	98	98	23	99	96¼
Laurentide Power	5	4.76	..	...	...	...	...	110	105
Mackay com.	7	5.40	129½	129	129½	130⅜	23	132	105
Do. pref.	4	5.67	70½	70½	70½	69½	25	73½	68¾
Mexican Light com.	.	....	29	29	29	30	15	31	29
Do. pref.	.	....	71	71	71	75	10	75	64
Mont. L. H. & Pr. Cons.	8	3.58	225¼	223	223	223	2888	230	209
Montreal Tele. (par $40)	8	6.63	48¼	48¼	48¼	48¼	25	51½	48¼
Northern Mexico Power	.	....	43	42	42	47	100	47	42
Ottawa L.H. & Pr. com.	6	6.15	97⅝	97½	97⅝	97½	40	100	97½
Do. pref.	6½	6.34	102½	102	102½	103	100	105¼	102
Quebec Power com.	5	4.20	121	119	119	121	74	125	113
Do. pref.	7	6.30	111	111	111	112	5	116	109½
Shawinigan	8	4.39	182½	180	180	182	530	191	167½
South. Can. Pr. com.	2.00	2.24	90	89	89	89	103	90½	83
Do. pref.	6	5.91	100½	100½	100½	101	15	101½	100
Do. rights	.	....	2	1¾	2	2	176	2	1¾
Transportation—									
Can. Pacific Rly.	10	6.39	157½	155¾	157½	156	140	163	147
Can. Steamships com.	.	....	19	18½	18½	19¼	670	20	11
Do. pref.	.	....	69	67	68¾	67½	1151	70⅞	56
Do., voting	.	....	18½	18½	18½	18½	25	19	11
Tractions—									
Barcelona (par $50)	.	....	..	...	...	...	...	29	26
Brazilian com.	5	5.24	96	91½	95	91	43759	98½	80
Do. pref.	6	5.94	101	101	101	100	5	102½	97½
Detroit Un. Rly.	.	....	2¼	2	2	2¼	60	3½	2
Duluth-Superior	.	....	32¼	28⅞	32¼	28½	221	32¼	25
Illinois Traction, pref.	6	6.23	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	6.06	165	165	165	162½	5	178	159
Ottawa Traction	4+1	7.81	63	63	63	64	5	65¾	63
Porto Rico Rlys. com.	.	....	..	...	...	...	...	47	40
Do. pref.	7	7.95	..	...	...	...	....	91	87
Quebec Rly.	.	....	..	...	...	...	...	26¾	26
Twin City com.	5	6.89	72¾	69	72½	68½	1213	79½	68¼
Do pref.	7	6.84	..	...	...	...	...	103	102½
Winnipeg Elec. com.	1	....	48	47	47	47	430	54⅝	45¼
Do. pref.	7	7.21	97	97	97	98½	20	100½	95
Textiles—									
Can. Conn. Cottons, pref.	4	9.75	..	...	...	...	...	49	41
Can. Converters	7	7.77	90	90	90	90	25	94	90
Can. Cotton com.	8	6.95	117	115	115	116	65	124	115
Do. pref.	6	6.25	..	...	...	...	...	99½	95
Can. Woollens com.	.	....	..	...	...	...	...	8	5
Do. pref.	.	....	45	45	45	47	2	50	45
Dom. Textile com.	5	5.55	91	89¼	91	89	397	99⅛	89
Do. pref.	7	6.08	115	115	115	115	15	122	115
Monarch Knit. pref.	4	....	..	...	...	...	...	50	45
Montreal Cottons com.	6	5.82	..	...	...	...	...	105	102
Do. pref.	7	6.25	112	112	112	114	10	115	112
Penmans com.	8	4.37	183	180	180	179	36	190	173
Do. pref.	6	5.88	103	103	103	102	5	104½	102
Wabasso Cotton	4	6.55	..	...	...	...	...	65	61
General Industrials—									
Amer. Sales. com. (par $20)	4	6.78	59	58	58	59	35	70	58
Do. pref.	7	7.25	96½	96½	96½	97	10	98	92
Asbestos Corp. com.	6	6.00	103	103	103	100	120	108	89
Do., pref.	6	4.83	..	...	...	...	...	124	109
Do., com. (new)	.	....	23⅝	22½	23¼	22¾	1849	24½	17¾
Do. pref. (new)	.	....	72	68¾	72	68¾	1262	70	62
Brant. Cord. pref.	8	7.76	26	25⅝	25⅝	26	164	27½	25⅝
Burt, F.N. com. (par $25)	12	5.76	52½	50	51¼	53	179	67	50
Build. Products pref.	7	8.18	..	...	...	...	...	87	85¼
Can. Cement com.	6	6.07	100¼	98½	98¾	101½	3354	111½	98½
Do. pref.	7	6.18	113½	113	113¼	113¼	303	120	112¾
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alc. (no par)	1.28	7.53	17½	17	17⅛	17¼	897	20	16¼
Crow's Nest Coal	6	9.83	..	...	...	...	...	85	51
Dom. Glass com.	7	7.36	95	95	95	95	35	105	85
Do. pref.	7	6.58	106⅜	106⅜	106⅜	106	5	111	106
East. Theatres com. (par $25)			25	24½	25	24¾	49	25¼	18¾
Do. pref.	7	7.88	88¾	88	88¾	88	32	90	83
Famous Players com.	.	....	13	13	13	12	5	18½	12
Do. pref.	8	8.79	92	90½	90½	91	151	94¼	90
Kelvinator com. (no par)	.	....	19⅞	18	19½	19	336	20¼	15
Do. pref.	7	7.60	92	90½	91	91	36	93⅞	90½
Gilman com.	6	5.55	..	...	...	...	...	108	104½
Do. pref.	7	6.03	116	115½	116	115	37	116½	113½
Goodyear Tire pref.	7	7.56	92½	91½	92	91	72	97	85
Holt Renfrew pref.	7	7.95	..	...	...	...	...	90	85½
King Ed. Hotel	.	....	..	...	...	...	...	41	25
Lyall Construction	.	....	48	39	47⅝	39	1471	48	20
Nat. Brew com. (par $25)	4	6.83	59½	58¾	59	58½	629	69	56
Do. pref.	7	6.54	..	...	...	...	...	110	106
Nat. Brick com.	.	....	..	...	...	...	...	12½	10
Do. pref.	7	11.33	61¾	61¾	61¾	62⅝	50	72	61¾
Pacific Burt com.	6	6.31	95	95	95	91	10	110	90
Do. pref.	7	6.73	104	104	104	104	3	110	102
Port Hope Sanitary com.	¾	3.48	..	...	...	...	...	88	74½
Do. pref.	7	6.71	..	...	...	...	...	105	99
Rogers Wm. com.	.	....	50⅛	50	50	48¼	125	67	45
Do. pref.	7	7.29	97	94½	96	95¼	7	97	90
Sherwin-Williams com.	6	4.68	128	128	128	125	20	135	125
Do. pref.	7	6.19	..	...	...	...	...	114	110½
Sterling Coal	4	10.25	39	39	39	38	25	43	37
Tooke Bros. com.	.	....	..	...	...	...	...	8	8
Do. pref.	.	....	..	...	...	...	...	60	55
Tuckett Tobacco com.	4	6.15	..	...	...	...	...	65	61¾
Do. pref.	7	6.93	..	...	...	...	...	105	100
Woods Mfg. com.	.	....	45	45	45	45	32	47	38
Do. pref.	7	8.23	85	85	85	85	1	85	77¾
Trust and Loan—									
Central Canada	12	5.71	..	...	...	...	...	2.10	2.10
Canada Landed (par $50)	10+1	5.78	..	...	...	...	...	100	95
Can. Permanent	12	5.76	208	208	208	207½	17	208½	202½
Colonial Invest. (par $10)	6	....	..	...	...	...	...	6½	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.66	..	...	...	...	...	132½	127½
Landed Banking	9	6.00	..	...	...	...	...	150	150
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
Nat. Trust	12	5.00	240	240	240	240	5	245	235
Ont. Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	106	103½
Toronto Gen. Trusts	12	5.42	221	221	221	220	9	225	220
Toronto Mort. (par $50)	10+1	5.55	..	...	...	...	...	98	93¼
Union Trust	7	7.14	..	...	...	...	...	101	98
THE CURB MARKET									
Andes Pete.	.	....	6⅝	6⅝	6⅝	..	300	6⅝	6⅝
Beacon Oil	.	....	..	...	...	...	...	19½	14¼
Brit. Amer. Oil (par $25)	10	5.02	50	49	49¾	50	518	53½	47
Can. Oil com.	1¼	....	..	...	...	...	...	75	65
Do. pref.	8	7.60	105⅞	105⅝	105⅝	106	35	106	100
Continental Oil	25c	....	..	...	...	...	...	26	20
Dryden Power (no par)	.	....	6	5½	5½	6	90	7¾	5½
East. Engineering		....	..	...	...	...	...	2½	1
Good & Worts	6	2.72	220	220	220	229	25	237	193
Imperial Oil (no par)	1.00	2.86	36	35	35	35	1944	38½	32½
Inter. Pete. (no par)	75c	2.34	33	32	32⅛	31⅞	880	35½	29¼
Manitoba Power (no par)	.	....	35	35	35	35	10	42	24
Newsprint Corp.		....	21	21	21	20	5	27	18
North Star Oil, com. (par $5)			..	...	...	...	...	105	95
Do. pref. (par $5)	.	....	..	...	...	...	...	4.75	4.50
Simpsons, pref.	6	6.06	..	...	...	...	...	102	99
St. Maur. Valley Corp.	.	....	..	...	...	...	...	53½	45
Toronto R. S.	.	....	1.50	1.50	1.50	1.50	25	1.50	1.10
Volcania Oil (par $25)	62c	....	27½	27	27½	26½	297	29	26½
Attendu Eng.	.	....	43	20	43	15¾	33981	30	7
Eng. Elec. com. (no par)			15	15	15	24⅝	1	24½	15
Do. pref.	.	....	65	65	65	65	2	72	59½
Illinois Power pref.	.	....	96½	96	96	96⅝	34	98½	96
Nor. Mex. Pr. com.	.	....	..	...	...	...	...	55	47
N. S. Car	.	....	..	...	...	...	...	11	8
Power Corp. (no par)	.	....	..	...	...	...	...	28¼	24
St. Law. Pr. (no par)	.	....	..	...	...	...	...	46½	36
St. Maur. Power	.	....	..	...	...	...	...	82	75
United Secs. pref.	6	5.74	104½	104½	104½	104½	5	105	103
Can. Nor. Pr.	.	....	30	29½	29½	30	260	30	29½
Paton Mfg. Com.	.	....	50	50	50	55	25	55	50
Do. pref.	.	....	98	97½	98	97½	100	98	75
Pressed Metals	.	....	30	30	30	35	10	40	30
United Secs. com.	.	....	55	55	55	64	115	65	55

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UNLISTED SECURITIES

	Bid	Asked
Brooks Steam Motors	5	6
Can. Machinery, com.	4½	..
Can. Westinghouse, com.	160	165
Cosgrave Brewery	3¾	4½
Dom. Power, pref.	94	97
Farmers Dairy, com.	40	..
Farmers Dairy, pref.	100	102
Dunlop Tire, pref.	77	80
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref.	26	33
King Edward Hotel, Deb. A.	78	82
King Edward Hotel, Deb. B.	59	62
K. & S. Tire, pref.	20	..
Loew's Toronto, pref.	84	87
Loew's London, com.	3	3¾
Loew's Ottawa, pref.	19	..
Pure Food, com.	29	31½
Mount Royal Hotel, com.	4	6
Mount Royal Hotel, pref.	37	39
Willard's, pref.	70	72
Capital Life 25% Paid	23	26
Continental Life 20% Paid	38	..
Crown Life	125	..
Empire Life	22	..
Excelsior Life 25% Paid	45	..
Great West Life	360	..
Imperial Life	250	..
Monarch Life 10% Paid	20	..
Ontario Equitable	24	26½
Re-Insurance	17	..
Security Life, 40% Paid	30	34
Sovereign Life, 25% Paid	26	28½
Toronto Finance, pref.	4½	5½
Trusts & Guarantee	76½	79
Sherbrooke Trust	105	..
Sterling Trust	76	..

Can Our White Elephant Swim?

Is the Canadian Government Mercantile Marine an asset or a liability? YOU pay for its upkeep, yet do you know anything about it? Read what Norman Reilly Raine has to say under the above heading in

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Pulp and Paper

HOWARD SMITH CO. IS ERECTING A NEW SODA MILL

Subsidiary Plant Will be Completed in 1927.

From Our Own Correspondent.

MONTREAL.—Shareholders of the Howard Smith Paper Mills will be interested in learning that work has already begun on the new plant of the Canadian Cellulose Company. The latter is controlled by the Howard Smith Paper Mills and is at present engaged in erecting its plant at Cornwall, Ont. The new mill will enter production by the spring of 1927 at the latest and will, at that time, have an annual capacity of from 12,000 to 15,000 tons of soda pulp. The ultimate capacity of the new mill will be between 24,000 and 26,000 tons of soda pulp annually.

The parent company has had to undertake no financing to provide the funds for this subsidiary; sufficient financing has been carried out to bring it into production.

Part of the output of the new mill will be utilized in the Howard Smith production of fine paper, and a portion will be sold on the market; at the moment the soda pulp market is stronger than that of sulphite pulp.

The Uses of Soda Pulp

In its earlier stages the manufacture of soda pulp is akin to the manufacture of sulphate, but the product neither resembles kraft nor sulphite. It is used in high grade paper and at the present there is very little, if any, of this product manufactured in Canada.

The new mill will consume poplar wood; the company has acquired from the province of Ontario some poplar timber limits. For some years, the Howard Smith Paper Mills has had this project under consideration and considerable forethought has gone into the drawing up of the plans; thus the Canadian Cellulose plant will embody the latest and best in pulp mill design.

With the completion of this project, the parent company will have a total daily capacity of 50 tons of soda pulp, 30 tons of groundwood pulp and 60 tons of sulphite pulp. It is this production which is, and will be utilized in the company's output of writing, blotting, book and high grade papers.

At the present time, the Howard Smith Paper Mills is benefiting through the strength which the market for sulphite pulp is exhibiting. Again, the company is more and more reaping the benefits of its development work in foreign markets where its product is becoming better known and appreciated; thus sales abroad are showing a steady and satisfactory increase.

Fort William Paper Co. to Modify Trust Deed

From Our Own Correspondent.

MONTREAL.—On May 26, the second mortgage bondholders of the Fort William Paper Co. will be asked to consent to some modification in the trust deed, in order that the company may authorize an issue of first mortgage bonds to the extent of $12,500,000. This increase in the amount of authorized first mortgage bonds is necessary in order to obtain new capital for extensions to the plant, including an increase in the sulphite pulp capacity and ultimately bringing the capacity of the newsprint mill up from 150 tons to 400 tons daily.

St. Lawrence Paper Mills' Preferred Widely Held

From Our Own Correspondent

MONTREAL. — At the inception of the company, the $2,500,000, 8 per cent., cumulative, preferred shares of the St. Lawrence Paper Mills were closely held by interests associated with the enterprise, but of late the shares have received a much wider distribution and there is a considerable investment interest in the stock. The preferred shares are non-callable, and also participate in the profits after $8 has been paid on the common stock.

Before allowing for depreciation, the earnings at present applicable to this issue are over three times the dividend requirements; this is on a production of 150 tons of newsprint daily, so that, with the doubling of the capacity of the mill, the ratio of earnings to dividend requirements will show an increase. Lately, these shares have changed hands at a price which yields the investor around 7½ per cent.

MORE ABITIBI POWER

MONTREAL.—The fourth unit at the Island Falls power plant of the Abitibi Power and Paper Company went into successful operation at the beginning of the present month.

NO WINNIPEG DECISION

MONTREAL.—At a meeting of the Winnipeg city council held this week the matter of the proposed contract whereby the city is to purchase 30,000 h.p. from the Winnipeg Electric Company was not discussed, but referred back to the special committee which is handling the proposed deal.

WAYAGAMACK HAS OPTION

MONTREAL. — The president of the Wayagamack Pulp and Paper Co. has denied the story that the Island of Anticosti has been acquired by his company, but C. R. Whitehead, the president, has stated that while the sale has not been accomplished as yet, Wayagamack has obtained an option on the property.

PULP MILL FOR WINNIPEG

MONTREAL.—It is understood that if the Backus-Brooks interests are able to make satisfactory arrangements with regard to obtaining a supply of power, work will start on a new pulp mill at Winnipeg. The mayor of Winnipeg and S. W. Backus are understood to have been in conference with regard to the project.

April Newsprint Figures Show a Slight Decline

From Our Own Correspondent.

MONTREAL.—Newsprint production figures for the month of April show a marginal decline in both Canadian and U. S. output, as compared with the preceding month. On the other hand, mill stocks show a decline. The production figures follow:

CANADIAN MILLS

1926—	Prod.	Ship.	Mill Stock
January	139,688	136,498	14,602
February	135,663	135,505	13,500
March	154,093	153,157	14,800
April	151,739	154,015	12,415

UNITED STATES MILLS

1926—	Prod.	Ship.	Mill Stock
January	140,026	139,012	16,338
February	129,622	128,635	14,791
March	145,910	142,666	18,352
April	145,327	144,600	19,478

International Paper Co. Has Many Projects Ahead

From Our Own Correspondent.

MONTREAL.—The Canadian International Paper Company will begin the development of the Paugan Falls power site early in 1927. The power rights at this site were purchased from the C. P. R.; recently, the International Paper purchased the Hull Electric Co. in its entirety from the C. P R., and not merely a block of stock as was reported. The transfer of the Paugan Falls site was included in this deal.

The paper company is to install a 70,000 horsepower plant at Chelsea, P. Q., and at Farmers' Rapids there will be installed 120,000 horsepower plant.

The Paugan Falls development will produce some 360,000 horsepower, of which 260,000 horsepower has been sold to the Ontario Hydro Electric Commission.

The company also has under consideration the possible development of power at Six Portages, or Nigger Rapids, on the Gatineau River near Burbridge, P.Q. Some 65,000 horsepower would be available at this site. Again, the company intends to increase the electric installation at its Kipawa Mill from 6,000 horsepower to 24,000 horsepower.

Price Brothers' Common Dividend Prospects Bright

MONTREAL. — The announcement made by the president of Price Bros. & Co. at the annual meeting of shareholders that the directors were planning to increase the capacity of the River Bend mill of the company by 200 or so tons daily, and that this extension, if made, would not require the issue of any further securities, opens up prospects for a large increase in the amount available for common dividends and a possible increase in the present rate of two per cent. per annum.

In the absence of definite information from the officials of the company it is impossible to state where the capital required for the addition to the property of the company is coming from; whether it is from the original sale of the Chute au Caron power site to the Aluminum Company or the more recent sale of a portion of its holdings of common stock in Price Bros. & Company. For the time being the source of the cash is immaterial. What is important is that the company is in a position to add about 30 per cent. to the capacity and probable output of the existing mills without increasing the annual fixed charges payable before earnings are available for the purpose of common dividends.

Price Brothers common opened the year around 57 and has since sold up to 70, the current market being about 65.

"Soo" Mine Earnings Have Shown Betterment in 1925

From Our Own Correspondent.

MONTREAL.—As the C. P. R. owns 51 per cent. of all the outstanding stock of the Minneapolis, St. Paul and Sault Ste. Marie Railway, the income account of the latter for the year 1925 is of interest to shareholders of the Canadian Pacific. The "Soo Line" also owns the majority of the stock of the Wisconsin Central; the earnings of the parent company and the consolidated earnings of both roads over the past two years compare as follows:

"SOO" LINE

	1925	1924
Gross earnings	$29,264,749	$28,724,693
Oper. expenses	20,693,108	21,261,303
Net oper. earn....	$ 8,571,641	$ 7,463,390
Other income	895,503	808,924
Total income	$ 9,467,144	$ 8,272,314
Fixed chgs., tax, etc.	7,703,033	7,427,873
Net income	$ 1,764,111	$ 844,441

"SOO" LINE AND WISCONSIN CENTRAL CONSOLIDATED EARNINGS

	1925	1924
Gross earnings	$49,670,264	$47,945,359
Oper. expenses	36,075,537	36,813,855
Net oper. earns...	$13,594,727	$11,131,504
Other income	1,220,807	1,127,018
Total income	$14,185,534	$12,258,522
Fixed charges, tax, etc.	12,742,944	12,237,697
Net income	$ 2,072,590	$ 20,825

In presenting the annual report of the "Soo Line" to the shareholders, C. T. Jaffray, the president, said that agricultural conditions in the northwest are improving rapidly, and that an average crop in 1926 at prices near where they are to-day would surely place the northwest in a good condition. This would further stimulate the growing interest in farm lands, and would mean that emigration from the older farming sections would again turn towards the northwest, which would be the greatest factor in enabling the railway property to again show satisfactory results.

British American Oil Classed as Investment

So secure is the financial standing and so large the earning power of the British American Oil Co., that the shares are classed as an investment by financial institutions, some of which count British American Oil stock among their security holdings, according to Watt & Watt, whose market letter continues: "Earnings between 25 and 30 per cent. on its capital, the company raised its dividend to a regular rate of 10 per cent. per annum. Sums aggregating more than the capital outstanding have been put back into the business which has grown very rapidly, not only in Ontario and Quebec but Western Canada, including two refineries. Following the improvement in general conditions in Western Canada, a marked growth in earnings may be anticipated for this year. There are reasonable assurances, therefore, that the policy of the company to pay bonuses will be continued. Last year the rate was 8 per cent., plus 2 per cent., and the prospect of a 2 per cent. bonus, plus the present 10 per cent. per annum is regarded as a comparatively near prospect. At the current price of around 50, the yield on the stock is 5 per cent. For a hold we regard British American Oil as an excellent investment."

N. S. OIL SHALE DEVELOPED

HALIFAX.—Oil and Nitrate Products, Ltd., a Nova Scotia corporation, has recently completed negotiations with H. L. Doherty & Co. and Cities Service Co., of New York, whereby a far-reaching system for the development and production of oil and other products of the Pictou County oil shales is to be undertaken. The company was formed in 1918 to take over as a holding company oil shale properties from Harold C. E. Spence. The nominal capital is $3,000,000.

T. H. and B. RAILWAY EARNINGS

Toronto, Hamilton and Buffalo Railway Co. had total operating revenue of $2,821,722 for the year ending December 31, 1925. This is an increase of $291,258, as compared with the preceding year. A dividend of 6 per cent. on the outstanding stock of the company was declared during the year, and in addition a stock dividend of 20 per cent. was declared payable December 31.

DOMINION TEXTILE CO., LIMITED

PRUE

MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

The Wabasso Cotton
Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton,
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Atlantic Sugar Refineries
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211 McGILL STREET
MONTREAL
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INDUSTRIAL
ALCOHOL
HIGHEST QUALITY-BEST SERVICE
Ethyl Alcohol—Cologne Spirits, Denatured Alcohol (all formulae)
We maintain a Technical Service Division which stands ready at all times to cooperate to the best of its ability with the trade.
CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
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Canadian Industrial Alcohol Co., Ltd.
TORONTO MONTREAL WINNIPEG CORBYVILLE VANCOUVER

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY
President and Managing Director:
FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager:
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R. M. BALLANTYNE, TANCREDE BIENVENU, HON. SIR LOMER GOUIN, K.C.M.G.
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We are in the market at all times for
British Columbia Municipal Bonds
British Columbia Bond Corporation, Limited
H. E. Boorman, Managing Director
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Public Utilities

OTTAWA "POWER" MAKES PROGRESS BUT HANDICAPPED

Private Company Withstands Competition of Municipal System

From Our Own Correspondent

MONTREAL.—No doubt there are places in the world where publicly-owned enterprises compete on a fair basis with those privately owned, but in Canada this would certainly seem to be the exception rather than the rule. The city of Ottawa provides an interesting study of the unfair handicaps under which private enterprise operates, and indicates also that private enterprise is, although handicapped, still able to compete more than successfully with government-owned utilities.

The Ottawa Light, Heat and Power Company owns the Ottawa Electric Company and the Ottawa Gas Company—the two pioneers in the field of public service in the capital. The Ottawa Electric Company had long been firmly established when the city of Ottawa decided to enter the business of electric distribution.

A Municipal Plant

The municipal undertaking is operated by the Hydro Electric Commission of Ottawa, and, in the beginning, charged the same prices as the privately owned company. Shortly, the local Hydro began to lower its rates a little every year, but Ottawa "Power" met each step in the reduction, and not only managed to get its share of the business in the city but a great deal more. Although it was handicapped, the Ottawa Light, Heat and Power continued to pay dividends and to make good provision for depreciation.

Every day in the year, the private company pays taxes to the Dominion, Provincial and Municipal Governments of $398, whilst its publicly owned competitor pays no taxes, except the municipal tax on a small amount of real estate.

The local Ottawa Hydro is a retailer of power only and purchases all its power from the Ottawa and Hull Power Company. On the other hand, the Ottawa Electric has had to carry the burden of its pioneering; it was one of the earlier electric plants in Canada and, throughout its long life, it has continually had occasion to scrap portions of its equipment in order to replace it with the latest and best in the way of improved electrical appliances.

Non-competitive Basis

Of course, all civic services, such as the City Hall, Fire and Police Departments, and the many municipal buildings through the city, as well as the public school buildings and the provincial school buildings, purchase power from the Hydro. Power for street lighting and for the city waterworks is also purchased on a non-competitive basis.

Since 1900, the Ottawa Electric Company has steadily increased its business, and 1925 was one of the best years in its history. The company's management is aggressive, yet also conservative, and there is every reason to expect that the company will, not only continue its present rate of profits, but will increase them. The city of Ottawa, of course, provides a limited field for the company, and, as the business of this field has had to be divided between two concerns operating on parallel lines, the prosperity and financial strength of Ottawa "Power" are matters upon which the shareholders may congratulate themselves.

Competes With Gas

The introduction of electric ranges has naturally had its effect upon the consumption of the company's gas, but much attention has been given to obtaining uses for gas other than cooking, which before had been the gas company's main source of revenue. Gas has been introduced into commercial establishments for many processes; the most important of which is the large automatic oven in bakeries. The average consumption of one of these ovens is equivalent to that previously used by around 250 dwellings. The company supplies two such ovens at present and a third is to be added this summer. The company has also been able to increase the sales of its gas to restaurants, confectioners and other such users.

Over a term of years, the Ottawa "Power" has plowed back profits into the undertaking, thus strengthening its financial position and building up its property, which reacts favorably, not only to the shareholders, but to the public as well. The benefits of such a policy, so far as the public is concerned, would naturally have been felt to a greater degree, had not the company been handicapped by unfair competition.

Ottawa "Power" looks to the future and has at least seven sources from which power is, or will be available. At the present time it is using only three of these sources.

Public Utility Earnings

JAMAICA PUBLIC SERVICE CO.

	1926	1925
March—	1926	1925
Gross earn.	$52,633	$50,730
Net earn.	14,769	17,187
Surp. after charges	8,598	10,330
12 mos. end. March 31—	1926	1925
Gross earn.	$632,855	$587,804
Net earn.	238,240	193,754
Surp. after charges	160,755	114,377

SOUTHERN CANADA POWER CO.

April—	1926	1925	Increase
Gross earn.	$115,186	$101,158	$ 14,028
Oper. exp.	38,322	*39,710	1,388
Net earn.	76,864	61,448	15,416
7 months—	1926	1925	Increase
Gross earn.	$820,806	$686,286	$134,520
Oper. exp.	267,103	306,040	*38,937
Net earn.	553,703	380,246	173,457

*Decrease.

Shawinigan Power Line to Cost Some $6,000,000

From Our Own Correspondent

MONTREAL.—The order in council allowing the Shawinigan Water and Power Co. to erect its new transmission line to the Duke Price plant has been signed. It is understood that the new line between Lake St. John and the city of Quebec will cost in the neighborhood of $6,000,000. This, of course, includes all costs such as the iron steel towers, cutting the right of way and the necessary digging and trenching.

Hamilton Street Railway Situation is Cleared Up

There is general satisfaction and relief felt in Hamilton as the result of the passing of the by-law renewing the franchise of the Hamilton Street Railway, a subsidiary of the Dominion Power & Transmission Co. The Hamilton Spectator not only regards the arrangement respecting fares as satisfactory, but says that even more important is the guarantee of adequate service. "Hamilton may now look forward with confidence to possessing a system which will meet the present and future requirements of this progressive city," says the Spectator, and the company should benefit as the result of comparatively stable conditions which insure a fair if not altogether satisfactory return on the investment.

Northern Ontario L. & P. Passes to New Interests

From Our Own Correspondent

MONTREAL.—The offer recently made by the Canada Northern Power Corporation has proved acceptable to well over 60 per cent. of the shareholders of the Northern Ontario Light and Power Co. The acceptance of the offer by the 60 per cent. of the shareholders was required to make the deal effective and thus the control of the Northern Ontario Light and Power has passed into the hands of the Canada Northern Power Corporation.

It is thought that the acquisition of this new subsidiary will simplify considerably the expansion which will be required to keep pace with the future development of the Northern Ontario and Northern Quebec mining fields.

Mexican Light Dividend Prospects Are Improving

As a result of a more settled political situation in Mexico and improvement in economic conditions, companies operating in that country have been making rapid headway towards normal. One of the utilities that has made a strong come-back is the Mexican Light and Power Company, a subsidiary of the Mexico Tramways Company. For a time the company failed to earn its bond interest, but recovery in earnings has been so substantial that arrears on the first mortgage bonds have been cleared up and interest arrears on the second mortgage bonds are now being paid, disbursement due for the last half of 1918, payable June 1 next, having just been announced. There is still interest on the income bonds to come before preferred dividends.

No dividend has been paid on the cumulative 7 per cent. preferred stock since November, 1913, which brings the amount in arrears to 87½ per cent. The firmness in preferred and common shares lately is attributable to the strong comeback in earnings of the company.

Preferred shareholders have been getting together with a view to seeking some kind of settlement to wipe off the big accumulated arrears.

Brazilian Shareholders Await President's Arrival

MONTREAL.—The arrival of Sir Alexander MacKenzie, president of Brazilian Traction, at the end of this month is awaited with interest by many shareholders who believe that he may give out some interesting information on the company's operations and its outlook for the future. It is interesting to note that even in the present depressed condition of the market this stock has been able to make a ten-point recovery.

The sponsors of the Brazilian Traction move are expressing their belief that an increase in the common dividends of 6 per cent. per annum is not far distant. They point out that earnings are ample to justify such a policy of liberality. There was unofficial assurance some time ago that the increase to 5 per cent. was a prelude to a further increase, probably within twelve months.

The extent of Sao Paulo telephone rate increase is not yet announced. Importance is attached to this concession, although it would have a greater effect if it applied to the State of Rio de Janeiro. This opens the way for a settlement of the tramway fare question in both states. Only about one-quarter of Brazilian properties are located in Sao Paulo.

Duluth-Superior Has Better Dividend Prospects

The announcement that the supreme court of Minnesota has handed down a decision favorable to Duluth Superior in the fare controversy, means that the city of Duluth's objection to the company's application to railway and warehouse commission for permission to charge a higher fare has been overruled. It remains now for the warehouse commission to decide what fare the company may charge in order to secure a return of 7½ per cent. on its investment, the appraisal value of Duluth Superior's properties having already been set at $5,009,500.

As Duluth is in the same state as Twin City Rapid Transit Company, it is assumed that the Duluth company will be granted the same rate of fare as was allowed Twin City. That is a cash fare of 8 cents or 6 tickets for 40 cents. This is an average of 6.77 cents per passenger. Should the Duluth company secure this rate, there appears little doubt that 4 per cent. on the common stock will be earned by a safe margin. When it is earned, a dividend will likely be paid. In fact the prediction is made that by the end of the third quarter the common would be again on a dividend-paying basis. The company's earnings in the latter part of April have shown a tendency to decline. This is attributed to business depression resulting from the backward season at the head of the lakes. The season is at least two weeks late, and this has served to hold up navigation. President Robertson, however, has expressed the opinion that results for May will measure well up to May of last year. If, of course, an increased fare comes into operation within two or three weeks, as seems probable, the operating results should immediately improve. The common stock has recently gained about 4 points to above 82.

QUEBEC SOUTHERN LINKS LAURENTIAN

New Line Adds Two Municipalities and Increases Power Supply

From Our Own Correspondent.

MONTREAL.—The lines of the Quebec Southern Power Corporation have been linked up with the system of its subsidiary company, the Laurentian Hydro Electric. The line joining the two systems was completed on May 15, and the power was turned on at that time. The new line, in addition to serving two more municipalities, namely, St. Sophie and New Glasgow, provides a much needed further source of supply for the Quebec Southern Corporation, whose service has been somewhat restricted, due to the fact that its Rawdon plant was loaded to its full capacity.

In the latter district, the houses of some hundreds of new customers have been wired in readiness for service as soon as it is available from this new source. In portions of the Quebec Southern's territory, it was found by canvass that less than 50 per cent. of those desiring power and light were able to purchase it due to the shortage, but this difficulty, with the completion of the new line between St. Jerome and St. Lin, has been removed, and will result in a further increase in the company's customers and revenue.

Serving 37 Communities

At the present time, the company and its subsidiary serve 37 communities, and this summer it is planned to include eight or ten more municipalities. It is intended also to build some further secondary lines to obtain more customers in the territory so far served. By the end of the present year, the company will serve close to 5,000 customers; it is also completing final arrangements for further contracts with industrial users.

Officials of the Quebec Southern Power state that earnings are running at a satisfactory level, greater than was predicted a few months ago. The earnings at the end of the current year, after deducting all operating, administration and general expenses, as well as the fixed charges on the subsidiary, will be in excess of twice the bond interest requirements.

Must Develop More Power

Since its inception, the company has completed over 180 miles of line and it is understood that further power must be developed shortly to meet the demand created by the expansion. This further development will probably be undertaken on the Ouareau River.

Recently the corporation acquired the municipal electric plant and distribution system in the city of St. Jerome, thus adding some 1,500 retail customers and some power contracts which will produce a substantial revenue. It is understood that the revenue from the St. Jerome electrical services has increased at the rate of 25 per cent. per annum since 1921, and that the increase in 1925 was 50 per cent. as compared with the preceding year.

Twin City is Helped by the Higher Fares

Since Twin City Rapid Transit received permission to charge the higher fare rate its shares have been recovering. A recent advance of four points to above 72 is recorded. Twin City earnings are steadily creeping up with normal traffic increases, and the company should earn 6 per cent. on the common stock in 1926 by a margin. The company has already increased the dividend from 4 to 5 per cent., and the street, it is rumored, may meet with a surprise before another year goes by, by way of another increase to a 6 per cent. basis.

Twin City Rapid Transit net income for the first quarter of 1926 was $449,259, compared with $417,490 for the first quarter of 1925, an increase of 7.61 per cent.

A Survey of Business Conditions

HELPFUL information concerning trade, finance and agriculture in Canada and abroad is to be found in our Monthly Business Letter.

A postcard to our nearest Branch or to Head Office, Montreal, will place your name on our mailing list.

The Royal Bank of Canada

Muirhead's

CAFETERIAS, LIMITED

(Incorporated under the Ontario Companies Act)

7½%

Sinking Fund Cumulative Preference Shares

(Par Value $10.00)

Preferred as to assets and dividends with full Voting Power and certain convertible features

Dividends payable March 1st, July 1st and November 1st, at par at any branch of the Bank of Nova Scotia in Canada, and to bona-fide American holders at par in American funds, except when American funds are at a premium in excess of 5%, when such excess will be borne by recipient of dividend.

Callable in whole or in part at any time on thirty days' notice at 115%.

Convertible at holders' option into Common Shares at the ratio of three Common Shares for two Preferred up until March 1st, 1927, and at the ratio of five to four from March 1st, 1927, to March 1st, 1928, and from March 1st, 1928, to March 1st, 1929, share for share

A Sinking Fund of 10% of the net profits after Preferred dividends each year, such funds to be used to purchase Preferred Shares in the open market for cancellation or to call at the call price for cancellation, as Directors may provide.

CAPITALIZATION	Authorized	To Be Issued
Preferred Stock ($10.00 Par Value)	50,000 shs.	35,001 shs.
Common Stock (No Par Value)	100,000 shs.	28,005 shs.

Transfer Agent and Registrar:
National Trust Company, Ltd.
Solicitors for Underwriters:
Reid, Wright & McMillan.

Bankers:
Bank of Nova Scotia.
Auditors:
Thorne, Mulholland, Howson & McPherson.

THE COMPANY

The business was originally started in a very small manner twenty-five years ago, with a restaurant accommodating twenty-eight people. The development since that time has been quite unique, following to a great extent the demand for instant and fast service by the downtown business and shopping population. These demands were met by the introduction of the Cafeteria, or self-serve system, which has expanded until now the Muirhead's Cafeterias have a combined accommodation for 450 persons per sitting, which will be increased to approximately 850 by the opening of the new restaurant.

SECURITY

The Preference Shares are to be the first and senior security of the Company, and the Company covenants to keep it as such; no mortgage or other security can be created ranking senior to or pari passu to this issue without the consent of the holders of 75% of the Preference Shares outstanding. The Company is required to create a Sinking Fund of 10% of the net profits after Preferred dividends each year. These funds are required to be used to purchase Preferred Shares in the open market for cancellation, or to call shares at the call price for cancellation, as the Directors may provide.

EXPANSION

It is the intention of the Company to establish a new restaurant, situated on the north side of Adelaide Street West, about half way between Yonge and Bay Streets, having a capacity of 400 persons per sitting, which will be opened as soon as construction is completed (official opening expected around October 1st). The recent construction of three large office buildings on Bay Street, in addition to other large office buildings which have been operating for some years, and the rapid development of the district as the centre for the financial business of Toronto, offer unexcelled opportunity for a restaurant of this character.

As the situation warrants, the officers of the Company propose further expansion in well-chosen locations in Canada.

EARNINGS

The average net earnings of the Company over the period of the last six years were $56,763 per year, after providing for very heavy depreciation. On the basis of the present earnings of the Queen Street restaurant, which has accommodation for 300 persons per sitting, the new Adelaide Street restaurant, with accommodation for 400 persons per sitting, should earn $57,000, making a total estimated net earnings of $113,000. Allowing for possible contingencies, we feel that on a conservative basis, net earnings should exceed $90,000 per year by a substantial margin, which would be at the rate of 25% earned on the Preferred Stock, as against 7½% required.

MANAGEMENT

The Management of the Company is in the hands of Mr. A. S. Tindale, now assisted by Mr. R. J. Muirhead, who, since the inception of the business, has supervised the building up of a thoroughly efficient organization.

PURPOSE OF ISSUE

The proceeds of this issue are to be used to acquire the business of Muirhead's Yonge Street and Muirhead's Queen Street, to merge these businesses under one company, and provide capital to help to further expand the business in well-selected locations in Canada.

PRICE: $10 Per Share and Accrued Dividend, Yielding 7½%

A bonus of one share of common stock with every 10 shares purchased.

It is the intention of the Company to make application for the listing of these shares on the Toronto Stock Exchange.

Orders may be telegraphed or telephoned at our expense.

Bankers Bond Company, Limited
60 King Street West - Toronto

Gairdner & Company
Limited
312 Bay Street - Toronto
Spectator Building - Hamilton

Worthington, Savage & Co.
330 Bay Street - Toronto

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable, and on which we acted in purchasing these securities.

Textiles

BETTER RESULTS OBTAINED IN YEAR BY CAN. COTTONS

Sales, Gross and Net, All Show an Increase

From Our Own Correspondent

MONTREAL.—A decided improvement in the business of Canadian Cottons is evidenced in the annual report of the company for the year ending March 31, 1926. Sales for the year amounted to $9,606,641 as compared with $8,549,897 last year. This increase resulted in increasing the operating profit of some $43,000 and, after deducting all prior charges, there remained earnings applicable to the common stock of nearly 9 per cent. as compared with 8.08 per cent. in the preceding year and 10.31 two years ago.

Changes in the balance sheet include a drop in accounts receivable of $155,656; an increase of over $500,000 in inventories; a decline in plant account of $40,779; an increase in accounts and bills payable totaling over $200,000 and an increase in depreciation reserve of $350,000. The outstanding feature of the exhibit is the wiping out of the bank loan which last year stood at $287,739.

The Income Account

The changes resulted in a betterment in the working capital of $403,000. The income and working capital figures over the past three years compare as follows:

	1925-26 $	1924-25 $	1923-24 $
Op. prof.	550,058	506,928	525,889
Int. on invest.	92,622	93,841	95,490
Rentals	......	13,342	......
Total income	642,680	614,111	621,379
Bond int.	154,924	157,079	160,167
Bad debts	23,697	17,674	15,006
Net income	464,050	439,358	446,206
Pfd. divds.	219,690	219,690	219,690
Balance	244,369	219,668	226,516
Com. divds.	217,240	217,240	217,240
Surplus	27,129	2,428	9,276
Prev. surp.	2,682,664	2,680,236	2,807,144
Total	2,709,793	2,682,664	2,816,420
xSp. loss	......	......	136,184
P. & L. bal.	2,709,793	2,682,664	2,680,236
Earned on com. stock	8.99%	8.08%	10.31%

xLoss arising from St. Croix mill flood.

Working Capital

	1926	1925	1924
Cur. assets	$5,465,315	$5,113,114	$5,340,410
†Cur. liabs.	1,402,449	1,453,279	1,926,947
Net W. Cap.	4,062,866	3,659,865	3,413,463

†Including reserve for bad debts.

The President's Remarks

In his remarks to the shareholders, the president, Charles R. Hosmer said in part:

"The profits of the year provided the usual amount for depreciation, but were not sufficient to cover the $200,000 short on the previous year's operations.

"The working capital of the company is now ample for the needs of the business, and borrowing is only resorted to during the season of cotton buying.

"It is difficult to forecast the year 1926-27. Raw cotton is low in price, but goods in both England and the United States are selling below the parity of cotton. In the Southern States this is particularly so at the present time. The desire for business appears to have precipitated a price war, which is causing great concern to the mills involved.

"Unfortunately your company has to meet these cut prices or cease operations, the latter course being quite as serious as the selling of goods at or below cost.

"The Canadian dumping clause of the tariff ought to operate in cases of this nature, but under existing regulations little is being done to assess a proper valuation for customs duties on such goods.

"For the present there appears little likelihood of your mills being able to operate full time.

"A hopeful phase of the situation is that stocks throughout the country are low, and if business confidence can be maintained, we believe that the year before us may be made as successful as the year which has just closed."

TEXTILE PROFITS LESS THAN ONE CENT PER YARD

(Continued from page 1)

ish authority at about a million pounds sterling a week. The result has been that the Dominion Textile Company has had to contend with these prices and meet them, although manufacturing conditions here are different.

Production in States

In the Southern United States competition has arisen from a different cause. Plants there have been increasing their output verv rapidly, and have been operating on a 24-hour basis, with the result that there is to-day, and has been for some time considerable over-production. In order to ameliorate the situation, an attempt is being made in the south to curtail production by 25 per cent. These two factors, competition from England and from the United States, have prevented the company from operating on an equitable basis.

The raw cotton department of the company, Mr. Daniels declared, has had a very good year. It has bought about 50 per cent. more than in any other year, and has been taking care of 75 to 80 per cent. of the entire requirements of the company. Mr. Daniels went at length into the methods of operation of the raw cotton department. The local representatives, operating in Tennessee, Arkansas, Oklahoma, Mississippi,, North-east Texas, and Georgia, buy direct from the gin, and without waiting to have the cotton concentrated and thus saving concentration charges it is shipped direct to the company. The company thus gets various grades, and for this reason is enabled to buy much cheaper than if bought from a trader who would have sorted it out into grades. The cotton on arrival is sampled and shipped to those mills that can use it to best advantage and most economically.

TEXTILE ANNUAL REPORT REVEALS $6.48 PER SHARE

Sales and Profits Show a Satisfactory Increase

From Our Own Correspondent.

MONTREAL.—The annual report of the Dominion Textile Company for the year ending March 31, 1926, shows a decided increase in the total sales and an increase of $284,134 in the net earnings applicable to the common shares. Earnings on the common stock during the past year were equivalent to $6.48 per share as compared with $5.22 last year and $4.13 two years ago.

Total sales through the year were $21,718,269, an increase of $2,080,702 as compared with last year. The total operating income this year shows an increase of only $22,000 but in the income account of last year, rentals were deducted together with bond interest so that the gross operating income figures are hardly on a comparable basis.

Changes in Balance Sheet

Balance sheet changes include a reduction of some $342,000 in property account; an increase of over $300,000 carried under raw materials; a decline of $401,384 in accounts receivable; an increase in the investment account of $920,000; an increase of $100,000 in accounts payable and an increase of over $300,000 in the surplus. These changes resulted in improving the company's already strong working capital position and net current assets showed an increase during the year of nearly $700,000.

In his remarks to the shareholders, Sir Charles Gordon says that the eleven manufacturing and converting plants have been fully maintained and are in excellent condition.

The fact that the sales have shown such a marked increase which has not been proportionately displayed in the income account indicates that while the company undoubtedly has had a satisfactory year, yet the keen competition by imported textiles shows no sign of abating.

The Profit and Loss

The profit and loss figures, together with the working capital figures, for the past three years compare as follows:

	Year ended March 31 1926	 1925	 1924
Op. inc.	$1,707,344	$1,684,908	$1,604,607
Other inc.	197,965	263,759	162,922
Total inc.	1,905,309	1,948,667	1,767,529
Bond int.	310,320	x637,812	x659,513
Bad debts res.	....	....	42,081
Net inc.	1,594,989	1,310,855	1,065,935
Pfd. divds.	135,842	135,842	135,842
Balance	1,459,147	1,175,013	930,093
Com. divds	1,125,000	900,000	900,000
Year's surp.	334,147	275,013	30,093
Prev. surp.	5,665,017	5,390,003	5,359,910
P. & L. bal.	5,999,164	5,665,017	5,390,003

xIncluding rentals, etc. In 1926 these charges presumably included in operating expenses before arriving at operating income.

Working Capital

	1926	1925	1924
xCur. assets	10,526,869	9,698,681	10,311,476
Cur. liabs.	1,342,490	1,190,456	853,094
Net wk. cap.	9,184,370	8,508,225	9,458,382

xIncluding investments.

Imperial Bank Shares Sell up Several Points

Imperial Bank stock sold up during the week to 207 compared with a recent low of 200 and a high for the year of 215. Bank of Montreal also made a nice gain to 260. Shares of the other banks continued without material change or eased off moderately. There have been no particular developments bearing on the market for these stocks.

Increase in Bond Issue of Fort William Paper

There will be a special meeting of the second mortgage bondholders of the Fort William Paper Company held in Toronto, Wednesday, May 26th next. The bondholders will be asked to consent to certain modifications in the trust deed in order that there may be authorized an issue of first mortgage bonds to the extent of $12,500,000. This is a considerable increase over the present amount outstanding and will provide new capital for extensions to the plant of the Fort William Paper Company, including an increase in sulphite pulp production and ultimately bringing the capacity for newsprint up from about 150 tons daily to 400 tons. The amount of second mortgage bonds outstanding is $1,500,000. Special interest attaches to the Fort William Paper Company inasmuch as it is controlled by Spanish River interests.

DOMINION RUBBER NOW

By supplementary letters patent, issued by the secretary of state for Canada, May 11, 1926, the name of the "Canadian Consolidated Rubber Company, Limited," Montreal, was changed to "Dominion Rubber Company, Limited." This change of name does not change the personnel or policy of the company, but it brings the operations of the parent company and its general purchasing, manufacturing and selling departments under the common name, "Dominion Rubber Company, Limited."

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY

Week end.	1926	1925	Change
May 14	$3,474,000	$2,791,000	+$683,000

CANADIAN NATIONAL RAILWAYS

Week end.	1926	1925	Change
May 14	$4,966,583	$4,133,287	+$833,296

MANY FACTORS POINT MONEY EASE

Liquidation in New York Compel Member Banks and Reserve Institutions Toward Investments

NEW YORK.—The peak of money strain in recent months, if one can say there has been a money strain, came the week ended December 30. On that day, 67 banks in New York City had loans, discounts and investments aggregating $6,424,476,000. Loans on stocks and bonds, not strictly brokers' loans, also reached the high to date at $2,430,601,000.

Brokers' loans were not reported separately until January 6. At this time New York banks were lending for their own account $1,338,000,000. These banks owed the New York Federal Reserve Bank $218,012,000. Since December 30 they have reduced their loans to the Reserve bank over $140,000,000. On April 21 they touched a low point of $15,688,000, but their reserves with the regional bank fell so low that it was necessary to borrow to build up cash position.

From January 6 to May 5, brokers' loans were reduced $652,000,000. Bankers say that, if brokers reduce their obligations another $200,000,000, banks in New York City will be faced with the necessity of buying securities or having their money idle. Since these banks only owe the Federal Reserve bank $127,847,000, further reduction of brokers' loans will probably result in a piling up of idle funds.

As a matter of fact, banks have already begun to increase their investment holdings. For instance, on December 30 the reporting banks in New York City owned investments totalling $1,696,337,000, which compares with $1,794,813,000 owned May 5, and an increase of $98,476,000.

B. C. LOOKING FOR BIG FRUIT CROP

Unusually Favorable Weather a Big Factor in the Situation This Season

From Our Own Correspondent

VANCOUVER. — British Columbia berry growers expect to hang up a new production record this season. Recent rains have swelled the potential crop at least 25 per cent. and as a result, it is believed, they will market far more berries than they were able to last year, both on the prairies and overseas, in the form of jam. The season is much earlier than usual, some districts reporting that strawberries will be picked two or three weeks ahead of the opening date last season.

Reports from the lower mainland indicate that growing conditions are exceptionally favorable and in no district have they been unfavorable. Production has ceased to be a worry of the berry grower, who now regards the labor problem as the most perplexing of all those they are likely to encounter this year.

Prospects for the larger fruits are similarly promising. In view of the big crop of last season, the apple orchards of the southern Okanagan give remarkable promise of heavy fruitage. Some experts predict that the crop will be fully 80 per cent. of that of 1925 and even more, should the season prove to be a favorable one from the standpoint of moisture, for it is to be remembered that the record boxing production of 1925 was achieved in spite of an exceptionally dry season and a shortage of irrigation water that made it impossible for apples, more particularly the later varieties, to attain normal size.

There are signs that this will be the first season in three years when the soft fruits of the Okanagan district have not been damaged by winter or spring frosts. Altogether, the fruit industries of British Columbia seem destined for one of the best years on record.

WESTERN SEEDING NEARS COMPLETION TEN DAYS EARLIER

(Continued from page 1)

quate supply ahead, prices will remain attractive to the producer.

Crop conditions in the balance of the country are, of course, an important item in the total. After all, the field crops of the provinces other than the three prairie provinces produced last year, $479,611,100, or 42 per cent. of the total. Seeding is largely completed in southern and western Ontario, but the northern and eastern sections as well as most districts in Quebec and the Maritime provinces have been retarded by unfavorable weather.

Island Tug and Barge Co. Sells Preferred Shares

An $80,000 issue of 7 per cent. preferred stock is being sold this week on the Island Tug and Barge Company of Victoria, B.C., by R. P. Clarke and Co., of Vancouver. The shares are being sold at par of $100. This stock is preferred as to assets and culminative cash dividends at the rate of 7 per cent. per annum, payable half-yearly. Shares are redeemable at the option of the company at $105 and accrued dividends on 60 days notice, or are convertible into ordinary shares at the option of the holder or on receiving notification of redemption. There are no bonds authorized or outstanding.

SUN LIFE BIG IN A. T. T.

MONTREAL.—The Sun Life Assurance Co. of Canada, is now the largest shareholder in the American Telephone and Telegraph Co. The insurance company now holds 65,752 shares of the American Telephone and Telegraph. This is 14,000 shares more than are held by the Bell Telephone Securities Co., the second largest shareholder.

DEBENTURE ISSUE

Tenders will be received by the undersigned up to 12 o'clock noon, June 5th, for the purchase of the BONDS of the Campbellton School Board, amount $35,000.00, denominations of $500 and $1,000, date of issue June 1st. Twenty year Sinking Fund bonds bearing interest at 5 per cent. per annum payable half-yearly.

(Signed) DONALD MacLEAN,
Secretary School Board,
Campbellton, N.B.

A Dividend Average of 20 Per Cent.

was paid last year by the 22 leading Canadian Insurance Companies. Similar dividends were paid by many American ones. Can you think of any investment as secure, returning dividends such as these?

Send for a complimentary copy of a booklet, "Insurance Stocks," explaining the possibilities in this type of investment in old established companies.

ELGIN 2029

INSURANCE INVESTMENTS
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Specializing in the Shares of Insurance Companies.

319 BAY STREET - TORONTO

NEW ISSUE

$1,500,000

Gosse Packing Company
Limited

7% Cumulative Redeemable Sinking Fund Preferred Stock
Par Value, $100 per Share

Dividends payable quarterly on May 1st, August 1st, November 1st and February 1st, in Canadian funds at any branch in Canada of the company's bank—The Bank of Montreal. Callable as a whole or in part, at the company's option, at $110 and accrued dividend per share on thirty days' notice in writing.

Transfer Agent: The Royal Trust Company, Vancouver, Toronto and Montreal.
Registrar: The Bankers Trust Company, Vancouver, Toronto and Montreal.

CAPITALIZATION

	Authorized	To be Outstanding
7% Cumulative Redeemable Sinking Fund Preferred Stock (this issue)	$3,000,000	$1,500,000
Common Stock (no par value)	20,000 shares	20,000 shares

For detailed information regarding the company we refer to a letter from Mr. Robert Gosse, President of the Company, which he summarizes as follows:

THE COMPANY—The Company is being incorporated to acquire the properties and business of Gosse-Millerd, Limited, which is one of the largest salmon packing companies in British Columbia. The Company will own and operate ten plants, together with a large number of fishing vessels, with all their necessary equipment. Its business will consist of the production and sale of canned salmon, canned pilchards, dry salt salmon, dry salt herring, fish meal and fish oil. The products of the company are in constant demand and are distributed throughout the principal countries of the world:

MANAGEMENT—The management of the company will remain in the hands of those responsible for the attainment of its present outstanding position.

ASSETS—Net tangible assets securing this issue of preferred stock, after deducting all current liabilities, amount to $1,957,731, which is equivalent to $130 per share. The company has no bank loans, and will have no bonded debt.

EARNINGS—Earnings of the company for the past three years, as certified to us by Messrs. P. S. Ross & Sons, chartered accountants, Montreal, after deducting maintenance and repairs, and available for depreciation, interest, income tax and dividends on this issue of preferred stock, have been as follows:—

Year ended February 28th, 1924	$110,439.42
Year ended February 28th, 1925	183,157.65
Year ended February 28th, 1926	405,223.50
Average for three years	$232,940.19

Equal to 2.2 times preferred dividend requirements.

With the present provision of additional working capital the company's interest charges will be largely eli[illegible]

With the additional plants being constructed, and with a much larger production, I estimate that earnings for the present year on the basis of advanced sales already made will amount to not less than $500,000 before provision for depreciation. Based on the experience of last year, the profits to be realized from the current year's production of fish meal and fish oil will alone be more than sufficient to provide the amount required for dividends on the preferred stock.

PREFERRED STOCK PROVISIONS:

(a) Preferred stock is preferred both as to assets and dividends.

(b) Dividends on preferred stock are cumulative.

(c) Preferred stock will be redeemable by means of an annual sinking fund amounting to ten per cent. of the net profits remaining after payment of the preferred dividend.

(d) No additional preferred stock may be issued, except to the extent of seventy-five per cent. of the value of additions to the company's fixed assets, and no bonds may be created, except purchase money mortgages on new properties acquired, to the extent of fifty per cent. of their value, and in both cases only if earnings for the two preceding years have amounted to twice the aggregate amount required for interest on the proposed issue and dividends on the preferred stock then outstanding.

(e) No dividends shall be paid on the common stock which would reduce current assets to less than twice current liabilities, or which would reduce net current assets to less than $400,000, or which would reduce net current assets, exclusive of inventories, to less than twenty per cent. of the amount of preferred stock outstanding.

(f) The foregoing provisions can be amended only with the consent of seventy-five per cent. of the preferred stock outstanding.

We have purchased and offer the foregoing issue if, as and when issued and received by us, and subject to the approval of all legal details by our counsel, Messrs. Brown, Montgomery & McMichael, Montreal, and Messrs. E. P. Davis & Co., Vancouver.

We recommend this preferred stock for investment.

Price: 100 and accrued dividend, yielding 7%

Every five shares of this preferred stock carry a bonus of one share of common stock of no par value.

Fractional common shares will be adjusted at $50 per share.

McLeod, Young, Weir & Co.
Limited

Newman, Sweezey & Co.
Limited

Matthews & Company
Limited

Dickson, Joliffe & Co.

H. R. Bain & Co.
Limited

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Newfoundland's rivers teem with fish. 1. A typical morning's catch. 2. Landing a salmon on a Newfoundland stream.

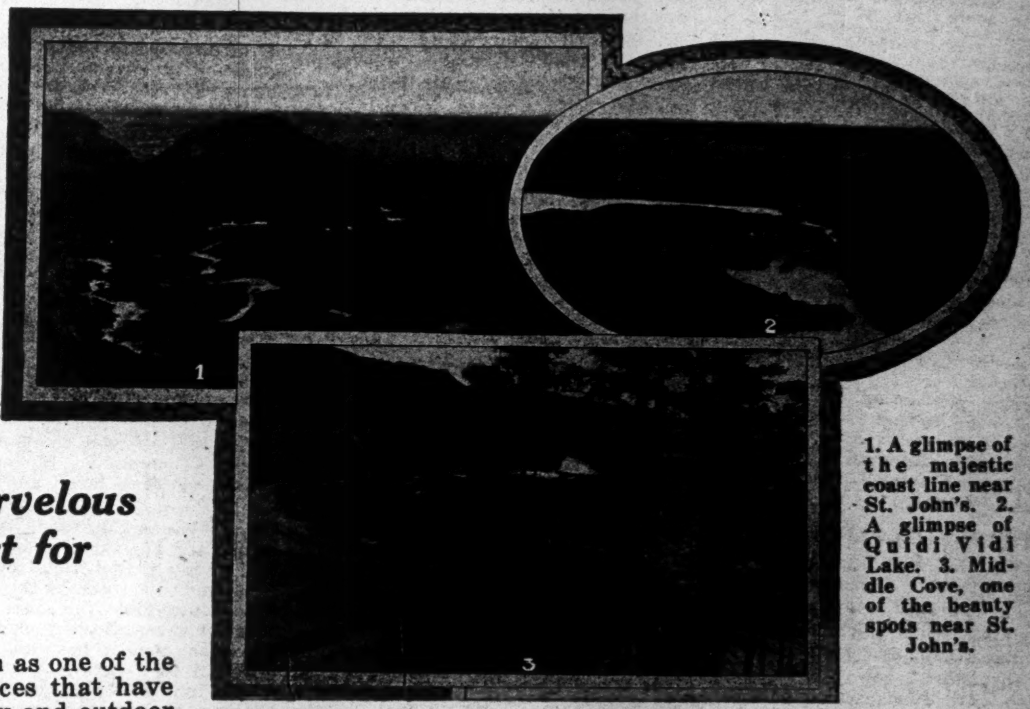
VISIT

This Land of Hardy People and of Rugged Grandeur—A Vacation Land Extraordinary

Newfoundland

An Invigorating Climate Easily Reached

NEWFOUNDLAND has much to offer the visitor, and not the least is its delightful and invigorating climate. Travellers to Europe who have passed a foggy coast may have gained the impression that Newfoundland is a land of fog. Nothing could be farther from the truth. Fog, it is true, lies about the coast, but only on the rarest of rare intervals does it touch the land. As a summer climate it is ideal. Extremes of heat are unknown, the temperature rarely exceeding 70 degrees, while from June to October there is almost perpetual sunshine. Even in winter it is not a rigorous climate, being milder than Canada, zero weather being a rarity.



1. A glimpse of the majestic coast line near St. John's. 2. A glimpse of Quidi Vidi Lake. 3. Middle Cove, one of the beauty spots near St. John's.

Travel Facilities

Travel facilities both to and within the island are of the best. Newfoundland is easily reached from any of the great centres of population. It can be reached by direct steamers of the Red Cross Line from New York; or from Liverpool, or Boston and Halifax by the Furness Line, or by the Munson Line and the Farquhar Steamship Lines. Any of these services provide a delightful and invigorating and relatively inexpensive sea voyage.

From Canada, Newfoundland can be reached by direct steamers from Montreal or Halifax, or by an eight-hour trip across the Cabot Straits, sailing from North Sydney, Cape Breton, to Port Aux-Basques, and thence by Newfoundland's own railway, across the Island.

From St. John's it is possible to reach many of the most beautiful sections by automobile over good roads, or by rail innumerable delightful spots in the interior are made accessible. Many of the most attractive points on the coast are to be reached by regular coastal steamers. Labrador may also be reached by the same means.

The visitor to Newfoundland needs no passports, nor are there any unpleasant restrictions to militate against the continued pleasure of the traveller.

A Place of Opportunity

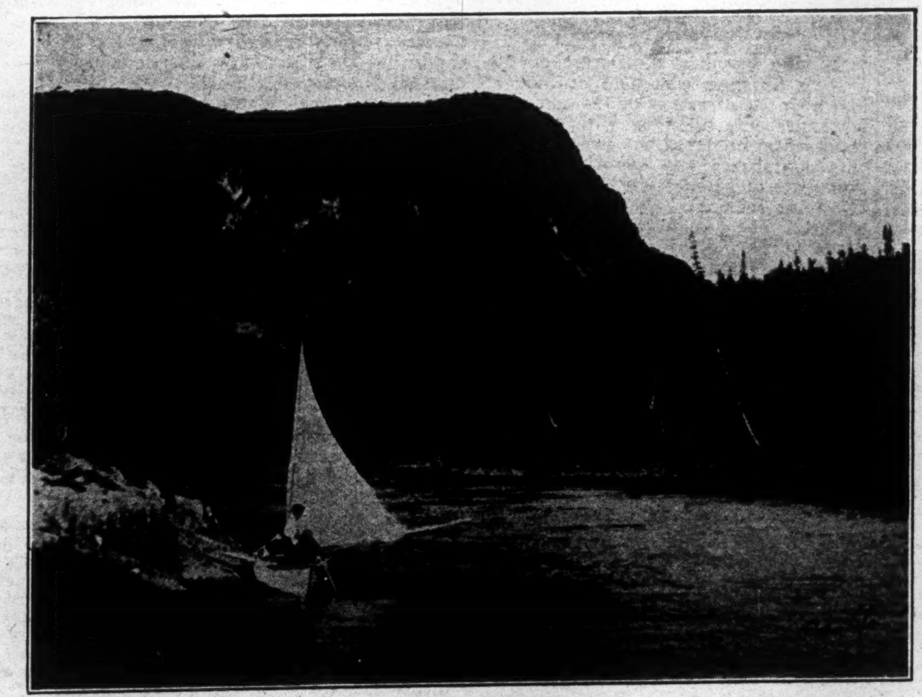
It is a great land of opportunity too. Modern methods will stimulate its great fishing industry into still greater production, and about all the great industries of the section there is steadily growing up a new business life. New centres of population are coming into existence over night almost. There are opportunities offering for many, for those who can use the great natural resources of the country and for those also who will serve those who use. It would be worth while to combine your summer outing with a survey of the opportunities presented by the phenomenal development of Newfoundland.

A Land of New and Marvelous Beauty. Every Comfort for the Traveller

World Famous Newfoundland Dog.

Newfoundland is rapidly becoming known as one of the greatest vacation lands. There are few places that have more to offer the visitor in the way of beauty and outdoor sports. From the capital city of St. John's, with its strange history of rule in the old days by the "Fishing Admirals," innumerable points of interest may be reached. The East Coast facing the Atlantic is a section of unparalleled beauty.

Summer resorts along all coasts offer a wide variety of attractions. Tourists, fishermen, hunters, canoeists or the family party can find surroundings that please them best; for social gaieties and surroundings with every modern convenience there are many resorts; for those wishing a change of scene there are resorts at the very gates of the wild, the depths of great forests where game abounds, or by roaring rivers or streams that teem with fish; great rivers offer every facility and interest for the canoeist; roads that follow new scenes may be reached by automobile; longer boat trips reach some quaint hamlets that cling to steep hillsides on the fiord-like bays and inlets. There is the majesty of great rivers like the Humber, Codroy, Exploits, Gander, Terra Nova River, Conn River in Hermitage Bay, Long Harbour and Bay du Nord Rivers in Fortune Bay, all with splendid power resources awaiting development. They are also a paradise for sportsmen, all of them teeming with fish. The same with the great lakes of the interior. Somewhat farther afield, in Labrador, is the mighty Grand Falls, inland from Hamilton Inlet, a scenic marvel with its 300 foot plunge.



Breakfast Head, a scene of exquisite beauty on the Humber River, one of the splendid waterways of the East Coast.

The splendid Newfoundland Hotel, just completed, is another inducement to travellers. A thoroughly modern fireproof structure offering every convenience and comfort, it is situated on the site of historic Fort William, overlooking the city, the Narrows and the beautiful Quidi Vidi lakes. There are splendid grounds and tennis courts in conjunction with the hotel, with Bally Haley Golf Club close by.

Unexcelled Hunting and Fishing

Few places remain that can offer the sportsman the same advantages. In these almost virgin waters the traveller may stop at almost any stream, great or small, and be assured of the best kind of sporting fishing. Fish are found in almost all the streams, from brook trout to sea trout and salmon. There is one single minor restriction, a $10 rod tax for salmon fishing.

The whole interior section of the Island is one great game park. Moose introduced into the country about 20 years ago are increasing rapidly. They are protected, as are also caribou and beaver. Bears abound in 30 known sections, and their hunting provides good sport. Foxes, lynx, martin, otter, muskrat, rabbit and hares are abundant. There is an abundance of game birds too—willow grouse, ptarmigan, snipe, ducks and geese—while for the latter there is no closed season. Nowhere else can the hunter and sportsman find so much to interest him.

Great Industries

Newfoundland is the world's greatest fishing section, and its deep sea and shore fisheries will interest the traveller. Its great pulp and paper industries, too, are among the largest in the world and will well repay a visit. In the great iron mines of Bell Island it has one of the richest iron resources in the world, and the fact that these mines are at tide-water will undoubtedly give them a growing importance with every passing year.

Intending visitors should write to the Newfoundland Tourist and Publicity Bureau, Mr. Gerald G. Byrne, secretary, P.O. Box E. 5348, St. John's, who will furnish detailed information.

"The Norway of America" Offers You Scenes of Unparalleled Grandeur, Summering Places of Enchantment, Sport that is Unequalled and Unspoiled.

See NEWFOUNDLAND First

THE FINANCIAL POST

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 21, 1926

The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

MORTGAGE COMPANIES READY

WITH the mortgage loaning institutions of Canada—the trust, loan and insurance companies—which have maintained a splendid record in financing urban and rural development throughout the country, well supplied with funds which they are not only willing but anxious to loan at moderate rates, there appears to be little real need at this time for the government entering the field of publicly subsidized farm credits. The head of one of the Winnipeg loan companies comments on the situation as follows:

> Regarding the Federal Government's Rural Credit bill, it seems to me quite unnecessary to pass such legislation. If the government charges a rate of interest that will take care of the cost of the money, adminstration expenses and a reasonable allowance for losses, they cannot, I think, loan at any less than the loaning companies are prepared to. All companies have ample funds for loaning purposes and the rates are moderate. It is contended by the advocates of the government's scheme that the mortgage companies will not give long term loans and the amortization plan is the best plan for the farmers. I grant you that the mortgage companies have not offered to loan for terms of thirty years or more, but they have at all times been willing to loan for ten years. In our experience we have found that while we were quite willing to grant farmers' loans for ten years, the majority of them did not apply for loans for so long a period, but preferred to take them for five years, in the expectation that they would be able to pay them off in that time. It rarely happened that they were able to pay off and we were only too glad to renew them, as all companies are.

The mortgage companies which have always co-operated with their borrowers in advancing the interests of the agricultural community in which they have invested so heavily, now stand ready to meet the needs of the situation in any reasonable way. They will make their funds available to take up bonds issued under any sound plan in which the farmers will co-operate as they have done in their elevator companies. They will give reasonable assurance of lower rates just as soon as present discriminatory legislation is withdrawn; farm rates can be brought to the basis of city rates, they say, when security is made equally sound. They object to the proposed federal farm credits because of the effort to have rates reduced below the actual cost of money and administration, the deficit being met by government subsidy, and because it is proposed to give such loans preferred security to the private lenders.

THE NATIONAL VALUE OF SUCCESSFUL MEN

JAMES SPEYER, in the course of his address in presenting to the Chamber of Commerce, New York, a portrait of Hon. Andrew Mellon, finance minister of the United States, made the following remarks which apply in a greater degree to the Canadian situation than to the American. In Ontario in particular, but also in the west, success seems to be a crime and failure a virtue, and industry, economy, honesty and brains are penalized. Mr. Speyer said:

"Any man who works and who manages large business affairs successfully, with fairness and due regard to the legitimate aspirations of others, is a credit to our country, helps its progress, and adds to the prestige of the United States amongst foreign nations. Since you assumed your very important public duties, you have—as is not unusual—been the target for some abuse. We like to think that this is due more to ignorance of complicated financial affairs, than to a mistaken hope of political party advantage. The overwhelming majority of your countrymen resent such unfounded personal attacks. We have confidence in your trained mind and judgment, and in your honesty of purpose, to serve our country to the best of your ability, without seeking any personal gain—political or otherwise. It is certainly a great example for others to follow.

"I can but just mention two great achievements under your adminstration as secretary of the treasury. First, your indispensable assistance to Congress rendering possible the reduction and reform of our income taxes, for which you have labored long and patiently; second, your great success in solving a most difficult problem—the settlement of debts owed to our government by foreign nations. Firm and insistent on essential principles, but considerate and even generous in minor points, you have proven yourself to be.

"There is one debt, however, that has not as yet been settled, and which cannot be settled to-day or to-morrow! It is not a foreign debt! It is the debt of gratitude which your fellow-citizens owe to you, for what you have done for them and are still doing."

The old private electric and other public utility companies and a few of the highly protected interests in Ontario were unfair and "refused to pay due regard to the legitimate aspirations of others" as did Mr. Mellon. An incensed public smote them and gave us wasteful public ownership, excessive taxation on industry and erratic tariff changes, resulting in business instability. There are several industries in Canada to-day that have not yet learned the lesson. They are still piling up antagonisms that will bring their penalties in the way of heavy losses, if not ruin, to the investors.

RUSSIA WANTS RAILWAY SUPPLIES

AN A. P. Moscow dispatch states that, according to Sam Vauclain, president of the Baldwin Locomotive Company, and his son-in-law, Hamilton, vice-president of the Guaranty Trust, Russia needs between 500 and 1,000 new locomotives and from 50,000 to 80,000 new cars; and that on his return to America he would call a conference of leaders of the allied interests to ascertain what could be done, and that American industrial interests were in a mood to solve the Russian problem.

It would be well to hear what Mr. Vauclain says on his arrival in this country before deciding that these statements are authentic, but the situation might be watched by our own people in these fields. Mr. Vauclain's statements as to the need of railway stock confirms what The Post published in August last—that the Russian railways outside of the main lines were out of business.

BUDGET THE NATIONAL DEBT

IN HIS recent address to the Toronto Canadian Club on Canada's national problems, Sir Thomas White summed up Canada's financial position. He pointed out that the net direct public debt of the country was seven times what it was before the outbreak of the war. In addition to the Dominion direct debt there was a heavy outstanding indirect liability upon guarantees of issues of the railway companies now embraced in the Canadian National system, and for the annual deficit upon that system. Also there must be taken into account fresh capital expenditures, not productive, which should be written off.

Yet, with these heavy financial burdens, with obligations totalling a couple of billion dollars coming due in the next few years, Canada is without a definite budget plan to take care of her debt. The Financial Post has frequently drawn attention to this fact. We believe that one of the most important tasks that lie before Mr. Robb is to so schedule the national financial and taxation program that not only will there be funds to take up maturing obligations, but that refunding issues should be made on a serial basis, so that the revenues of each year will not only take care of the carrying charges, but will, over a definite period, discharge the capital debt.

And during this period of reducing the national debt—largely the result of the war—Canadian taxpayers must look for relief in their tax burdens to a government which will curtail current expenditures through economical administration and a continued improvement in the reduction of the annual deficits of the National Railways, secured not through expenditures charged to capital account, but by increased efficiency.

NEWSPAPER headings declare that Britain is rejoicing that "the cost of the strike is not on the tax-bills." Might is not be better to have it there? The people must pay in the long run and if they knew they were paying there might be more general realization of the consequences of these industrial disturbances.

* * *

THE surplus of $112,000 transferred to Alberta from the former wheat board, has been placed in a trust fund and will be devoted to furtherance of co-operative marketing and the betterment of agriculture in the province. The government is to be commended for its far-sightedness in devoting these funds to the development of the great basic industry of the province.

THE NEW INDUSTRIAL OWNERSHIP — Article 6

Industrial Relationship Plan Stands Test of Seven Years

Imperial Oil Company Encourages Employees to Become Stockholders, Gives Them Say in Control and Provides Sickness Benefits and Pensions

A UNIQUE CO-OPERATIVE INVESTMENT TRUST

By P. F. SINCLAIR,
Annuities and Benefits, Imperial Oil, Limited.

NO COMPANY in Canada has adopted more progressive ideas in employee relationship than Imperial Oil, Ltd. Not only has this company for seven years successfully conducted a system of industrial councils in its various plants, but it has organized sickness benefits, death benefits, accident benefits, and annuities for old employees. It has also successfully organized a co-operative investment trust to encourage employees to conserve their surplus funds and invest them in the shares of the company. How these ideas have been worked out and the benefits which have been obtained are described in Mr. Sinclair's article.—J. W. T.

The Industrial Relationship Plan of Imperial Oil, Ltd., has been in operation for over seven years, having been inaugurated December, 1918. The plan was not the outcome or the result of strikes or dissension in any way; fortunately the company had never experienced any difficulty in regard to labor. The plan was simply an expression of appreciation on the part of the directors in connection with the length of service and the loyalty of their employees, with the hope of encouraging this continuity and loyalty.

The Hon. W. J. Hanna, the late president, in announcing the details of the Annuities and Benefits Plan, stated: "We cannot by our inaction, by blind refusal to see that the old is giving way to the new, and that the war was a part of the re-making of the world, ignore the lesson of **the brotherhood of the battlefield.**" At the inauguration of the plan at Sarnia, it was stated that the company was "just feeling its way" as pioneers in its introduction, and it was not claimed that it would prove to be a panacea for all industrial ills.

The aim of the company was to create a community of interest and feeling between labor and capital.

After seven years' experience it may be reasonably asked, what is the result, and has the plan been successful? While it is difficult even now to measure the results, as they are more or less intangible, the sober conclusion is, after seven years' experience with this plan, that it has not only stood the acid test during a very critical period in the world's history, but in addition has created and maintained a finer sense of comradeship, and the company has enjoyed a greater measure of loyalty, efficiency and continuity of service, in this attempt to recover the necessary "personal touch." Many men have given their laborious nights and days" to the just solution of this labor question, and their efforts have been usually marked with sincerity. But, while understanding and sympathy are essential to the solution of this problem, they are not sufficient, as there is need for constructive business imagination. Here was the opportunity and here certainly the need for the pioneer who would blaze a new industrial path, calling for vision, courage and energy. But the attempt was worth while, if the spirit of respect and co-operation was to reign in the industrial world.

Imperial Oil, Ltd., seven years ago, set itself to this task, and as a result of keen insight, tempered with a fine element of humanity, adopted its industrial plan, ever keeping in mind the national development of Canada, and in so doing, made a very substantial, as well as a very constructive, contribution to the problem of the proper relations between employer and employee.

Joint Industrial Councils

On the evening of December 19, 1918, a banquet was held at Sarnia, at which the directors of the company were present, together with a large representation from the refinery. At this conference the adoption of the Annuities and Benefits Plan, including the Joint Industrial Councils, was announced. The announcement was first made at Sarnia, as being the parent plant, and was received by the employees with the greatest enthusiasm. Following the inauguration of the plan at Sarnia, councils were formed in due course at the other refineries, as well as at different points in the marketing department, there being at present sixteen joint industrial councils functioning.

The basis of the Joint Industrial Council, was the election by the employees, of certain of their number as delegates to represent them on the council. The company, on the other hand, selected an equal number to represent them, and the superintendent of the refinery, or manager of the marketing division, acted as chairman.

The meetings of the different councils (which are held in the company's time) are held once a month or oftener if necessary, and at these meetings the elected and selected delegates meet around the same table and discuss all matters relating to the welfare of the employee and the company, including sanitation, recreation, hours of work, etc. During the seven years these councils have operated, i.e., from January 1, 1919, to December 31, 1925, the following questions have been satisfactorily adjusted:

Wages	148
Working conditions	340
Promotions and discharges	36
Hours of work	125
Industrial representation	237
Sanitation, housing, etc.	349
Miscellaneous	1,316
Total	2,551

Experience has shown that the councils have proved a great success in every way.

The percentage of 90.6 of the men voting in the refinery elections for the councils of 1926, indicate the very greatest interest. In the marketing divisions, the percentage is equally high. The sixteen councils in their reports, state that "1925 has been a most satisfactory year from industrial relationship standpoint."

Death Benefits

The directors also announced at the above conference, a plan of group insurance. Beginning with January 1, 1919, all employees with twelve months of service, would become insured for amounts ranging from $500 to $2,000 according to length of service and amounts of earnings, without any cost whatever to the employee. This Annuities and Benefits Plan of death benefits has been consistently carried out ever since, and has recently been amended by the directors, and while this amendment to the Anuuities and Benefits Plan entails no expenditure whatever upon the part of the employee, its provisions are much more liberal than the preceding plan. Briefly, the death benefits to which each employee of five years or over is entitled, are increased to one year's full pay, with a maximum of $3,000; and for employees of 10 years' service or over, one year's full pay, with no maximum. The death benefits in the case of those under five years of service, remain unchanged by the amendment.

The provision thus made by the directors, has proven a great boon to the dependents of the employees, as is evidenced by the many letters which have been received, all expressing their appreciation. It has been found by the Annuities and Benefits Committee, who have charge of the administration of the company's plan, that in the majority of cases employees carry very little or no insurance outside the company's death benefits. When death occurs, a cheque of $150 is advanced at once for funeral expenses, and the remainder of the death benefits is distributed to the beneficiary usually in twelve monthly payments, in order to assist the remaining members of the family over the reconstruction period, which inevitably follows upon the death of the bread winner.

Sickness Benefits

The sickness disability benefits constitute another very important part of the general plan. A schedule is laid down for the payment of sickness benefits to wage earners, according to length of service, ranging from half pay for six weeks' disability, for employee whose term of service has been one year, up to half for fifty-two weeks' disability, for employee whose term of service has been ten years and over, at the discretion of the Annuities and Benefits Committee. Salaried employees are treated on a different basis, equally generous, according to their respective term of service.

Under this heading also should be mentioned the special tuberculosis programme which the company instituted some four years ago, and is applicable to both wage earner and salaried employee. Each case of tuberculosis is considered individually, upon its own merits, and such arrangements adopted which, in the judgment of the committee, would take care of each case, and assist the fellow-employee to successfully combat the disease.

Many letters have been received by the company from the employees, both in connection with the usual benefits and the special tuberculosis programme, indicating the keen appreciation of the company's action. A quotation from one letter is both characteristic and significant: "He answered that we had done far more than he had ever expected, in fact it never occurred to him that we would have taken such an interest in him, as we have, and he was most profuse in his thanks, appreciating all that we had done for him."

Annuities

Beginning Feb. 19, 1919, the Imperial Oil, Ltd., annuity plan became operative. This annuity plan is administered under three classes, namely, A B and C as follows:

Section 1. Eligibility: All employees of this company are eligible for retirement on annuity under the following conditions:

(a) Regular retirement: All men who have reached the age of 65 years and women 55 years, and who have been 20 years or longer in the service shall be retired on a regular allowance, unless, in individual cases, at the request of the employee, some later date be fixed by the board of directors for such retiremen.

(b) Retirement at request of employee or at discretion of board: Any man who

(Continued on page 29)

College Graduate Says He Wasted Four Years of Life

University circles at Lincoln, Neb., are greatly stirred by a sharp criticism printed in the current number of the Nebraska Alumnus, organ of the graduate students, over the signature of Emmett V. Maun, who gained an A.B. at the commencement last June, and who now, after six months' tackling of the world, tells his alma mater right to her face that she wasted four years of his life by teaching him things of no earthly use to him in the world.

The editors printed the letter rather apologetically, saying they did so for the purpose of inviting a discussion of the usefulness of the education the state university gives to its graduates.

Maun says that some graduates land in a nice job kept for them in the family business circle, and others land on their face when they take a broad running jump into the world.

"I am one of those who landed on his face," he writes. "At the university they trained my mind by methods of study, they crammed it full of history, philosophy, theory and facts, but left me untrained to meet the world and its problems."

Maun tells about his several unsuccessful efforts to find himself and that he is now confronted by a choice between two jobs, neither of which provides more than a living wage. This leaves him without ability to pay debts of honor acquired while seeking an education. It makes it impossible for him to carry out his desire to establish a home. He is without credit. He declares his college course was insufficient and left him unfitted. He concludes with these pungent paragraphs:

"Let the idealist use his philosophies. Let him say that money is not everything. But for everything that he tells me money will not buy I will tell him ten things it will.

"Thus, my university has failed me. It taught me idealism when I needed realism. It taught me theory and I needed practice. It drew me in, a fisherman; it did not advise me and let me learn when it was too late and then turned me out—four years behind the man who did not go.

"If I criticise, I offer also a remedy. I discard a history, a philosophy, a Greek, a geography, a Latin and an economics instructor, and hire a $15,000-a-year man who has trained men and who knows men. Put him at the head of a vocational guidance department. Let him interview every freshman and every senior. Let him advise these men at all stages and finally get a job for the man who is suited for the job. If the head of the department is the right kind of a man, and if he creates the right kind of a department, he will save 100 years of wasted lives every year."

"BUSINESS AND INVESTMENT FORECASTING"

Taking a cross-section view of the whole field on business forecasting, Ray Vance in "Business and Investment Forecasting," published by the Musson Book Co., Ltd., has given a concise and up-to-date statement of what has been done up to the present in the science of analyzing and forecasting business and investment movements. A chapter is devoted to the use of business statistics and one to the relation of business statistics to the human element. Then there is a complete discussion of the forecasting methods followed by Babson, Brookmire, the Harvard Business Service, Colonel Ayres, and others. These studied collectively give a very thorough review of the various methods pursued in the field of business analysis and the book concludes with a discussion of the application of business movements to mercantile policies and to banking and financial policies. The work is really a revised edition of a similar publication put out three years ago but much more complete because of the strides that have been made in the study during the interval.

Wheat

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Current Opinion

INCOME TAX

Owen Sound Times: Finance ministers of Canada will seek to eliminate overlapping of income tax collections. That is, they will discuss a plan to place all income tax collections under a central authority, bringing an end to the present lack of system, whereby some cities and some provinces collect it and others do not, all regardless of the Dominion levy which in itself is heavy enough to suit even the most conscientious taxpayer.

The Dominion suffers from her confused methods of collecting taxes. There is no definite line drawn between Dominion and provincial fields. The income tax is a case in point. When a man has paid his Dominion income tax he feels a pardonable satisfaction. Then he has to pay it again, somewhere else, and the satisfaction fades! He feels that he has paid the same tax twice. The thing gets on his mind and weakens his tax paying morale. Collections suffer as a consequence. It will be a glad day when these cross-wrinkles are ironed out.

IF FREE TRADE CAME?

Sault Ste. Marie Star: A deputation representing the Canadian Council of Agriculture waited on Premier King, and among other things impressed upon him the fact that they "were unalterably opposed to the whole principle of tariff protection."

Such a view, coming as it does on the heels of a budget that announced tariff reductions, can be taken only as indicating support of those reductions and urging more of them.

The fault in such a course is mainly two-fold (1) it is urging the adoption of a blanket principle without making provision for an intelligent application of a wise fiscal system, and (2) it is seeking to undo the conditions under which investors have placed their money in Canadian enterprises.

The demand that Canada should proceed to follow a course that would wipe out protection is wrong because it is sectional. It does not take into account at all the thousands of people who are making their living because industries have been developed under a protective policy.

There can be no real national development in a policy that seeks to work for the benefit of only one section of the community.

WHERE IS THE WHEAT?

Vancouver Sun.—In April, 1926, the port of Vancouver shipped 3,930,837 bushels of grain. In April, 1924, the Port of Vancouver shipped 4,933,235 bushels of grain.

What has happened to reduce shipping via the western route 1,002,398 bushels per month in two years?

The Board of Grain Commissioners, charged with the task of serving western farmers, should come to Vancouver and find out.

Vancouver's five elevators could easily take care of 150,000,000 bushels of grain yearly, and yet, in this crop year, shipments over the economical western route will not possibly exceed 48,000,000 bushels.

Vancouver has the storage capacity. The western route offers a saving in freight rates over the long haul to Atlantic tidewater.

But the artificial handicaps that have been placed against the western route are working a hardship on the wheat growers of Alberta and western Saskatchewan that can only be estimated in hundreds of thousands of dollars.

This is a situation that is delaying the development of the West. It is a situation that is postponing the prosperity of Canada.

A full and candid investigation by the Grain Board is owing to the West and Vancouver.

Americans Think Us Foolish to Ship Our Raw Materials

Chicago Journal of Commerce.

Other American automobile manufacturing companies in Canada may be undecided as to their permanent policy if the government persists in the tariff reductions it has announced; but Dodge Brothers are not undecided. E. P. Clarkson, manager of the Dodge Motor Car Co. of Canada, declares that if the tariff changes are not modified, the company will close its factories permanently, and such equipment as is portable will be removed to the United States.

The tariff changes are a domestic Canadian matter. The American attitude, on the whole, is merely one of watchful interest. If the changes go into efect, American exporters will benefit. American companies which have plants in Canada will be injured by the reductions in the business of those plants, but they should be able to recoup by the increase of their exports to Canada. And as for those American companies, which have no plants in Canada they will not be injured at all, and will benefit materially.

Considered from the Canadian viewpoint, the tariff reductions are unwise. At present the tariff on automobiles is 35 per cent. Under the government's budget provision, it would be reduced to 27½ per cent. on cars valued at $1,200 or more, and to 20 per cent. on cars of less value. This reduction in many cases eliminates the margin between the production costs of American and Canadian automobiles manufacturers.

In her last fiscal year, which ended March 31, Canada had a favorable trade balance of $402,000,000. This is the best record of any year since the war period. It is a fine showing.

But the exports are largely raw materials—in other words, natural resources. The extent to which a "favorable" trade balance is economically favorable is the extent to which natural resources are conserved for future generations, while the country sells its time and energy and genius by manufacturing goods which are exported to other countries.

What Canada needs is to take her raw materials and follow them through to the stage of manufacture. She needs to increase her population, increase her own consumptive capacity, improve her standard of living, and grow commercially and industrially. Nations which find themselves in such a situation nearly always adopt a policy of protection.

Canada's situation to-day resembles that of the United States fifty years ago. America then affirmed and developed her policy of protection. Canada takes the contrary course.

If American manufacturers like Dodge find it cheaper under the new tariff rates to manufacture in America and pay the lower tariff duties, certainly the Canadian who puts his money into the Canadian industry will be hard put to it to prosper.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Southern Canada Power

M. M. S., Montreal.—What about the Southern Canada Power Co.? What of its immediate and its ultimate future?

Over the past five years both the gross and the net earnings of the Southern Canada Power Company have shown excellent increases. This company serves one of the most prosperous sections in the province of Quebec, and there is little reason to doubt both the continued growth of the company and its earnings. Last year, before depreciation, the company earned $211,153 on its common shares whose dividend requirements amounted to $100,000. We can see no immediate hope of any real appreciation in the price at which these shares change hands but we believe that you will ultimately receive an increased return on your investment.

Brompton Pulp

J. R. T., Sorel, P. Q.—A client of mine purchased Brompton for a speculation, but I judge from your answers to correspondents that the stock is a better long-hold proposition. Is my attitude the more correct?

Brompton shares are a long hold proposition. The strength of this company lies in its excellent timber resources, which, we believe, must ultimately be reflected in the return to the shareholder. There is the possibility, of course, that, if there be an overproduction of newsprint, the company's earnings from this branch of its activity may fall off slightly, but, on the other hand, we learn that its two American high-grade paper mills are experiencing better business. Yes, we should say that Brompton is a hold—only, you must be prepared to put it away for some years.

Tooke Brothers

D. B. C., Norwood, Ont.—I have been advised to sell my Tooke Brothers bonds. Is this wise? Please let me know the present market price of this issue. Would you advise their sale?

The net earnings of Tooke Brothers, after depreciation, have shown a steady growth since the bonds were first issued to 1922. For the year ending May 31, 1923, earnings applicable to bond interest were twice the interest requirements, whereas for the year ending June 30, 1925, the net earnings applicable to bond interest amounted to $82,038, more than three times the interest requirements of $25,045. The present bid on these bonds is $102. The company has a total of $325,000 outstanding in bonds; this compares with a property account of $646,688. Thus, you will see that there is a good equity behind the bonds and that the company's earning power is increasing. All in all, we should say that we can see no reason for selling these bonds.

Brazilian Traction

K. A. C., Hamilton.—I should like to obtain your views on the common shares of Brazilian Traction. I hold fifty shares.

The actual earnings of Brazilian Traction should show a steady increase over the next few years, as the company has greatly expanded its earning power through plowing back profits into property. The stock will have minor ups and downs at its present levels, but, if you are willing to wait for two or three years, it looks as if the market value of this stock wil show a decided appreciation. The speculative element in this security, of course, lies in the market value of the milreis. The more coffee which Brazil can sell abroad, the greater will be the price of the milreis. You must, of course, recognize that there is a possibility of Brazil's exports falling off, and a consequent reduction in the international price of its currency, which would naturally react unfavorably on the shareholder.

Besco Preferred

M. E. C., Shawinigan Falls, P. Q.—What is the outlook for the future of the first preferred shareholders of the British Empire Steel Corporation and is there any chance of the equity behind this stock being reduced in the event of a reorganization?

We regret that we are unable to tell you the outlook for the future for the first preferred shareholders of Besco.

In the first place, all that we can learn is that the management is working on a re-organization plan, which, we believe, will mean the writing down of some of the senior securities. Rumor here has it that the steel and coal properties may be segregated, but no official confirmation of this has been given out.

There is a good equity in physical assets behind the various bond issues and debenture issues of the constituent companies—but the earning power of these assets has been materially curtailed.

It seems to us that there is every chance of the first preferred shareholders' equity being reduced in any re-organization.

Mines Good Speculation

Reader, Kitchener.—Would you check off the good producers in the following list. Are they to be considered safe?

It is difficult to lay down the rules which would govern a man in determining which of the mining stocks are safe investments. We would much rather suggest that you look upon them as high class speculation. We have ticked off on the list the stocks of producing companies.

Premier Gold

Reader, St. Williams.—What rate does Premier Gold now pay? Is there a bonus and what is the yield? How is it regarded?

Premier Gold Mines are a very excellent proposition. The company at the present time pays 32 cents yearly on stock of one dollar par value and at the present market price the yield is around 14 per cent. to 15 per cent. The company recently made a material increase in its milling capacity and also in its power development, and it looks to me if it has a fairly long life ahead of it. In the past year the company has been well able to maintain its ore reserve.

Wainwright Dome

Reader, Saskatoon.—Can you tell me anything about Wainright Dome Oil and the people behind it?

Wainwright Dome Oil Company looks like an oil gamble in which the speculator will get a run for his money. The proposition seems to be in good hands, the company has very good leases and it is going ahead with its proposition in a businesslike manner. This to our way of thinking is about all any speculator can ask in an oil proposition. The Wainwright field looked good to the writer when he visited it recently, and from information coming to me from the field it looks much better since the Edmonton Wainwright Well was brought in.

Three Oils That Are Gone

Reader, Sundridge.—Kindly advise as to the merits of the following oil stocks; White Star, Calgary; Herron and Elder, Calgary; Stokes Stevens, Alberta.

On page 28 of our recent Oil Issue, May 7, you will have noticed an article headed "Do You Hold Any Shares in Concerns Named in This List?" Perusal of that list would have shown you the state of the three old Alberta oil stocks about which you inquire. You will note that White Star Oil, Herron-Elder Gas & Oil Development, the Stokes-Stephens Oil Co., are all worthless. All three companies are insolvent and have passed out of existence.

St. Maurice Power

C. A. B., Kenogami, P. Q.—I should indeed appreciate having your views on the common shares of the St. Maurice Power Co.

The St. Maurice Power Company is a subsidiary of one of the largest power companies in the world, the Shawinigan Water and Power.

The annual report covering the year 1925 showed a net revenue of $11,356, of which $11,000 was transferred to reserve of common stock outstanding, and you will see that earnings on this stock to date are really negligible. But, on the other hand, 1925 was the company's first full year of operation. Naturally, it was not able to obtain the best rates for its total output of power. The demand for power in the province of Quebec is steadily increasing, and thus it is quite safe to anticipate that the earnings of the St. Maurice Power Company will show a steady increase. Therefore, we should have no hesitancy in saying that if you are willing to hold your St. Maurice Power Company stock over, say five years, you will obtain a decided appreciation in market value. The stock is purely a long hold proposition.

Canada Steamships

J. St. M., St. Polycarpe, P. Q.—I purchased some common stock of the Canada Steamship Lines at 42; is the stock a hold or a sale?

By the end of the present year, the preference shares of the Canada Steamship Lines will be 35 per cent. in arrears. It is the intention of the management, as you know, to come to some compromise with these preference shareholders. Should the present plan before the preferred shareholders be accepted at the meeting on June 9, it appears that the equity of the common shareholders would be improved. With the acquisition of the two other competing lines on the Great Lakes, the Canada Steamship Lines has almost a monopoly on the package freight business and, although it has no monopoly on the other freight carrying business, yet the merger makes "Steamers" immeasurably stronger. Of course, present market prices for the common stock are away below the price at which you purchased these shares, but, on the other hand, the outlook for the company has brightened considerably, and we would say that probably for a two- or three-year hold the shares are a fair speculative buy. Only, you must realize that you may yet have to dispose of this stock at below its present market levels for the president of the company has declared that the possibility of dividends on the junior security is so remote as to be almost negligible.

Spanish and Laurentide

K. L. T., Drummondville, P. Q.—I hold Laurentide and Spanish common. I can see no indication of any increase in the market price of these shares during the present year; in fact they may decline slightly due to the expansion of the industry. I should be glad if you would sum up the situation for me please.

Both Laurentide and Spanish River are newsprint producers, and the outlook at the moment for the newsprint industry as a whole is not particularly encouraging. Indications point to the fact that, with the continued expansion of this industry, there is the possibility of an over-production of newsprint, which would result in reducing the output of some of the mills, or it might even result in a reduction in the price of newsprint. Of course, at the present time the demand for newsprint is strong, but there are many keen observers of the situation who feel that possibly very shortly there may be an over-production.

Our own opinion of the newsprint situation is that probably all the stocks of the newsprint companies may be purchased just as cheaply, say, next autumn or next Christmas as now.

In Laurentide and Spanish River you have picked two good companies—both are in an excellent financial position and both are able to withstand any minor set-back to the industry as a whole. Taken by and large, the newsprint stocks have always been speculative and, in view of world conditions, we believe them to be still in this class. Incidentally, during the next eight or nine months, we can see not much chance of any appreciation in either of these two securities, and feel that there is a possibility that they may decline slightly.

Canadian Cottons

T. R. C., Quebec, P. Q.—I purchased Canadian Cottons common at 98. Should I sell now? What is the outlook for the textile companies in the present year? I can see no indication that any textile company will expand or be able to increase its profits very much; can you? I should like to know a little of the situation of the textile companies in Canada as regards the tariff.

Canadian Cottons is an ably-managed, strong and successful company. Earnings for the year ending March 31, 1926, will shortly be found in the forthcoming annual report of the company; these earnings, we believe, will show an increase over those of 1925.

At the present time, the operations of all the textile companies are curtailed somewhat, as compared with the corresponding period of last year. It is impossible to forecast the results which the company will obtain during the present year of its operation, but it would be safe to say that they will not vary much from those experienced during the last fiscal year.

The Canadian textile companies operate in a small market—there are no cotton textiles exported. Thus, we would say that, providing the tariff is maintained at its present level, there is little opportunity for any marked increase in the business done by the Canadian Cottons. If you purchased the stock to make a profit, you have already done so, and we would advise its sale. It seems to us that there is not much chance of the stock going over, say 124, and if you can obtain 120 for it it would seem a good sale to us.

Of course, if you have purchased this stock with the idea of obtaining an income, we think it would be a hold, because even at present prices you are obtaining a yield of 6.6 per cent. The chief difficulty with the textile securities as investments is the fact that, if the government should cut the tariff, earnings would fall off, or, if the industry were granted a higher tariff earnings would mount. In other words, the earning power of the companies depends upon legislation. It is, of course, impossible to say what any government may do.

Ottawa River Power

I. M. M., Sherbrooke, P. Q. — Would you be good enough to write me fully on the Ottawa River Power Company? I am considering the purchase of some of the bonds and would like to know the full particulars of the company, and if it is a safe investment. I can see for myself that the shareholders have only a small equity in the property, but this seems to be a failing of all Canadian power bond issues. I should obtain a lower yield on seasoned bonds and the equity behind such an issue as the Duke-Price Power seems to be even less—proportionately—than behind the Ottawa River issue.

The company is a subsidiary of the Ottawa and Hull Power Company, to which it supplies power under a thirty-year contract on terms which will ensure the operating, maintenance and fixed charges, plus the sinking fund requirement of the subsidiary's bond issue. Thus, you will see that, through this contract, the payment of interest on the bonds is assured.

Again, the parent company—the Ottawa and Hull Power—in turn is a subsidiary of the Power Corporation of Canada, which owns the control of several power companies, and has large holdings in various power producers in many sections of the country.

The demand for power in the section served by the Ottawa River Power seems certain to grow. At the present time the company has one 25,000 h.p. unit installed in its plant, but all the permanent work has been completed for the ultimate installation of three units, which would bring the capacity of the plant up to 75,000 h.p. Thus, in the course of time it can be anticipated that the equity back of the bonds will be increased through the addition of further units.

When these bonds were originally offered, they carried with them a bonus of two and a half shares for every $1,000 bond.

The company is situated in a territory in which the population exceeds 150,000, and in which there are many diversified industries. From all the foregoing factors, we would consider these bonds a safe investment.

Naturally, the yield on such an issue is higher than on the bonds of long-established public utilities which have had an opportunity of demonstrating their earning capacity over a period of years.

The Alberta Pacific Grain Company, Limited

7% Cumulative Preferred Shares

The companies which bring the grain crops from Canada's prairie farms to seaboard shipping points perform one of the most essential public services in the Dominion.

Of these companies, Alberta Pacific Grain controls one of the largest, most successful and most comprehensive organizations.

We offer Alberta Pacific 7% Preferred (each share carrying a bonus of one share of Common Stock) at—

100 and accrued dividend, yielding 7%

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POST-Scripts

AS A general rule, dwellers in Europe have little idea of Canada's great size, and are disappointed if a man living in Montreal does not know intimately some friend of theirs living either in Toronto or Vancouver.

This is not the case with a firm in Amsterdam, who wrote recently to a Montreal business house, wishing to get some information about a party living in Wallaceburg, Ont. They enclosed a rough map, drawn in pencil, to assist in locating the town.

WHERE provincial jurisdiction ends and federal jurisdiction begins is sometimes a fine point, as a recent case in British Columbia shows.

The Dominion government has authority over the "foreshore" of all navigable rivers and harbors. In a Pacific coast town a saw mill existed, that was a menace to safety of the town. One morning the slash burner was put under forced draught and sparks began to fly over the town. There were five fires under way inside of half an hour. The town officers told the saw mill to put out the menacing fire in their slash burner and the company management told the town officials to mind their own business as their slash burner was on property coming under Dominion government supervision. The townspeople wired their member at Ottawa and he sent a wire to J. A. Thomas, fire marshal of British Columbia, asking him why he did not protect the citizens of his province from fire menance. The fire marshal wired back that he had no jurisdiction over Dominion government property. Finally the problem was solved by having the Dominion Fire Commission wire the provincial fire marshal appointing him a deputy to attend to the case. It took about a day to get a man to the site but when he got on the job he soon gave orders that eliminated the possibility of any further menace.

IF YOU are 45 or 50 or even 60 and haven't reached the top, don't despair, says Forbes Magazine. The average age of the General Electric directors is over 60. C. A. Coffin, the venerable upbuilder of this unique enterprise, is 82. The age of the American Telephone & Telegraph directors averages, curiously enough, exactly the same, a trifle over 60. The range here is greater than in any of our other colossal industrial corporations. George F. Baker leads the directors, in point of age, with 86 years to his credit, while W. S. Gifford, president and director, is only 41. The United States Steel directors average still older than those of these other two companies: 63½. Mr. Baker also heads this board, followed by Chairman E. H. Gary, who has just entered his 80th year. The youngest member is the son of the oldest, George F. Baker, Jr., 48. The members of the Finance Committee average more than 65 years. No member is as young as 50.

Likewise in Canada, many of the big industrial and financial institutions are being directed by men who have passed the sixty and even the seventy mark. Cyrus A. Birge, on the board of many Hamilton companies, is 78; Sir Vincent Meredith is 76; Sir Hormidas Laporte, president of the Provincial Bank, is 75; C. R. Hosmer, president of Canadian Cottons, is 74; W. G. Gooderham is 73; Sir John Aird is 70 and Sir Joseph Flavelle, Sir Herbert Holt, D. B. Hanna, Pat Burns, Sir Edward Kemp, Peleg Howland and A. W. Austin are among the country's big business leaders who are approaching the three score and ten allowance.

SOMETIMES it takes a man with more "horse sense" than "business efficiency" to get at the root of the trouble in a concern that is faltering. In a Canadian city there is a building organization that had been meeting with some trouble. Its collections have been slow and expense of getting in the money abnormally high. A new manager was appointed; an elderly man with much integrity and good judgment but not the modern executive by any means.

The first thing he did was to go out to the area where the company had built the houses and there he had a talk with the people who bought them. He found that a number of the men were unemployed. They were honest, ambitious folk but many of them were living on their small savings. He started out to find jobs for them. He got one man, an expert carpenter, a job on a new construction work. In another case, he found the daughter of the family, a place, a stenographer in a downtown office. Soon he had most of the people on the street at work. Collections improved. Back interest and principal payments were cleared up.

There was a further favorable effect. The "tone" of the district improved. People were more optimistic and began to spend money fixing up their homes. This attracted other people to the neighborhood to look over the houses that had not been sold.

The purchasers of the homes now boost for the man who collects their mortgage money. And the directors see profits ahead.

WHEN that very wise American, Benjamin Franklin, passed from this life, he left his worldly wealth to help apprentices during the years of their training. It quite evidently never occurred to him that the whole apprentice system which had endured for centuries would disappear with the coming of an unforeseen change—the industrial age with its large-scale production by machinery.

In 1626 an Englishman provided by his will that the income from one-half of his estate should be used to ransom persons captured by pirates off the coast. Since 1723 there has not been one applicant for relief from this fund.

Before the Civil War in the United States many persons left "permanent funds" for capturing fugitive slaves. These funds still exist, but there are no fugitive slaves to be captured.

And so with trust funds in general, when they are left with a definite purpose, there is a danger that conditions may change and even disappear. To-day endowments are being left for hospitals, orphanages, schools and other institutions, but, it has been pointed out, that the day may come when all hospitals will pass into clinics, all orphanages into child-placing agencies, with institutions only for the ill or mentally defective.

Whoever gives his money to create a fixed endowment runs the risk that some day the rigid force of his dead hand may keep that money from changing its employment so that it will work effectively in a changing world.

The alternative is to provide a foundation trust under a trust company with provision that a wise representative shall act for the wise giver in carrying out his wishes in a world of change. General conditions are laid down which the trust company must follow but it is permitted the exercise of a certain amount of judgment and this is a guarantee against the fund becoming inoperative or ineffective through altered circumstances.

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A special circular giving you concrete suggestions for the secure and profitable investment of your savings, to yield you from about 4¾% to 7½%, will be mailed on request.

These suggestions including preferred stocks as well as bonds are carefully diversified in respect to territory as well as industry.

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No. 7 of a Series

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137

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NFLD. SHOWS A SURPLUS IN REVENUE

Budget Makes no Provision for Increase in Taxes During Coming Year

ST. JOHNS, NFLD.—A sizable excess of revenue over expenditure, and a promise of no increase in taxation were the features of the budget brought down in the House of Assembly this week by Sir John Crosbie, Minister of Finance. The 1924-25 revenue exceeded expenditure by $347,000, which was $71,500 better than estimated. Tax arrears amounting to $200,000 were collected. The total revenue for 1924-25 was $9,783,188, while the expenditure amounted to $9,436,185, a decrease from the previous year of $585,000, in spite of the fact an extensive highway program was carried out, a considerable portion of the railway re-railed, a new dock constructed and a new steamer, the Caribou, placed on the Cabot Strait service. The public debt of the colony was shown as $67,017,998.

There was an increase in exports over the previous year of $2,518,615, and in imports $8,727,492, the great excess of the latter being largely accounted for in the recent developments of the Newfoundland Power & Paper Co., and the Anglo Development Co. at Grand Falls. The total trade of the colony was $59,994,860, the highest ever reached in any normal year. The savings bank accounts amounted to $23,179,123, of which $1,043,984 was added during the fiscal year. Investments in life insurance amount to $28,000,000.

AN ESSENTIAL INDUSTRY

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7%

Cumulative Preferred Shares

Price:
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Yielding 7%

(Each share of preferred carries a bonus of one share of common stock.)

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Brazil May Shortly Sell Bond Issue in New York

The intimation that there will probably soon be a new flotation of bonds of the Republic of Brazil in the New York market, is of interest to present holders of Brazilian bonds as well as to holders of Brazilian Tractions. Information released by Brazilian Government officials in connection with the issue shows something of the progress this republic has been making financially and industrially.

"The credit rating of Brazil has improved so materially," states this information, "that it is expected, should new financing be arranged in the New York market this year, it would be with a lower interest coupon than any of the previous Brazilian bonds sold in that market. This improvement is attributed to the successful administration of Dr. Arturo Bernardes, retiring president, who has made no external loans during his stay in office, who has succeeded in reducing the foreign debt, and who has further succeeded in contracting the paper currency of the country, which is now being retired at the rate of 13,500,000 milreis per month. Governmental expenditures have been reduced to the point where the Brazilian budget now balances, and the exchange has risen from a low of 8.55 in 1923 to 14.50 cents per milreis at present. The new administration, it is understood, has pledged itself to carry out the reforms inaugurated in Brazilian governmental affairs by Dr. Bernardes."

It will be recalled that the Brazilian Government has authorized external bonds totaling approximately $60,000,000. Brazil came into the New York market in 1921 and sold $50,000,000 8 per cent. bonds. In 1922 they sold $25,000,000 of 7 per cent. bonds. In the same year New York bankers shared in a £9,000,000 coffee loan which was sold abroad.

Humboldt Debenture Holders are Slow

Since January of this year the committee representing debenture holders of, Humbolt, Saskatchewan, has been endeavoring in conjunction with the local government board of Saskatchewan to obtain the surrender of all debentures in order to carry out the terms of the settlement arrived at. Up to the present time there remains outstanding claims aggregating $155,105 out of a total of all claims amounting to $766,023. The whereabouts of the holders or the names of the holders of these claims are unknown to the committee and to the local government board. Final settlement is being seriously delayed by inability to get the surrender of the claims in question.

METROPOLITAN LIFE BUYS BONDS

The Canadian head office of the Metropolitan Life Insurance Co., announces the following recent investments made in Canada by the Company; A. E. Ames & Co., $50,000 City of Toronto 5 per cent. bonds; Wood, Gundy & Co., $1,200,000, Globe Realty Co. 5½ per cent. bonds. The total amount of investment made in Canada by the Metropolitan Life is now $126,400,919.

Total Assets in excess of $600,000

DOMINION FINANCIAL CORPORATION
LIMITED
232 St. James Street
Montreal

Mortgages Purchased

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H. N. WHITE & COMPANY
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REAL ESTATE
804 First St. West. Calgary, Canada.

News of the Investment Market

PROVINCES MAY SELL BONDS IN THE NEW YORK MARKET

Money Easy There and Market is Receptive to Our Issues

A leading item of interest in the bond market this week is the intimation that the Province of Ontario will shortly be in the New York market for some $20,000,000 partly for refunding purposes. No official announcement has yet been made, but the apparent decision of the provincial treasurer to go to New York is probably due to the fact that the New York market would be a more favorable place for Ontario to borrow at the moment than the home market. Then there are maturities to be met there on the 1st of June. These are much smaller than the total suggested, but it is possible that the payment of treasury bills may be in mind. There are rumors also that the Province of Quebec is feeling out the New York market with regard to possible borrowing there soon.

While much has been said of the large volume of funds available for investment in the Canadian market, one of the investment banking houses points out in a current letter that "money for investment purposes is none too plentiful among the Canadian banks. This together with the fact that many Canadian insurance companies have already bought bonds for future delivery, or are buying corporation bonds, has resulted in a temporary easing of the domestic demand for high grade government and municipal bonds." In any event, there is probably greater demand for these bonds in the New York market at the moment than there is in Canada. The New York market appears to have turned away from the more speculative issues, and is buying fixed income bonds.

Real Estate Bonds and Over-Building

An interesting opinion on the possible results of the excessive sale of real estate bonds was given recently by Lee Thompson Smith, president of the National Association of Building Owners' and Managers' Association of Philadelphia. Mr. Smith said in part:

"Prior to the World War, mortgage lending was handled mainly by life insurance companies, savings banks and companies which guaranteed their obligations to investors. During the war certain firms of mortgage brokers branched out into the placing of mortgage securities, unguaranteed, in the hands of the public in the form of bonds. The great expense of advertising and selling these bonds was met by large commissions paid on loans, such commissions being obtainable on loans generally for excessive amounts, as judged by the standards of pre-war lenders.

"Due to the rapid rise of real estate values many new mortgage companies were formed to follow this example. The unfortunate part is that loans were made in excess of a proper percentage of the sound value of the properties and even exceeding the entire cost of land and building.

"This applies to-day to operations in cities throughout the country. Money secured for real estate mortgage bonds is diverted from industrial development and from the conservative lending institutions. The ease with which mortgage money can be secured has been of material aid to speculative builders. There is competition among 'houses of issue' to secure loans to meet the buyers' demands. This competition is tending towards: (a) Appraisals in excess of sound values to justify loans above the level of safety, and (b) greater facility in securing money resulting in an overbuilt condition in all fields of real property throughout the country.

"What will be the ultimate results of such appraisals and bond issues? There are perhaps some among you who can recall the panic of 1893, when one investment company failed with $60,000,000 of guaranteed securities in the hands of investors, and at the same time at least 100 other mortgage companies failed, who had lent on western and southern cities and farm lands.

"The over-production of buildings, with the resulting vacant space or space rented at a price less than it cost to produce, is sure to create a serious depression in rental and real estate values. Loss to bondholders holding unsound securities will create the impression that all mortgage securities are worthless. A large amount of foreclosed property will cause a certain depression in real estate values.

Canada Northern Power Announces Bond Issue

MONTREAL.—The board of directors of the Canada Northern Power Corporation has forwarded a circular letter to the shareholders calling a special meeting on May 28 for the purpose of authorizing an issue of $3,000,000, 6½ per cent., 15-year, collateral trust bonds to provide the funds necessary to acquire the Northern Ontario Light and Power Company.

The letter reviews the progress made and points out that the contract with the Horne mine necessitates the construction of a line to the Rouyn gold fields at a cost of some $500,000. Mention is made also of the acquisition of the Porcupine Telephone Lines and the power distribution systems of the towns of Timmins and South Porcupine, and that with control of these various properties, the corporation now serves practically every producing mining area in Northern Ontario and Quebec.

PREFERRED STOCK OF GOSSE PACKING OFFERED AT PAR

$1,500,000 New Issue Carries a Bonus of Common

From Our Own Correspondent.

MONTREAL.—The investment houses of Newman, Sweezey & Co., and McLeod, Young, Weir & Co., are offering $1,500,000, 7 per cent., cumulative, redeemable, sinking fund preferred shares of the Gosse Packing Co. The shares are being sold at par; with every five shares of preferred there is a bonus of one share of common stock of no par value.

The Gosse Packing Co. is being incorporated and will acquire the business and properties of Gosse-Millerd, Ltd., one of the largest salmon packing companies in British Columbia. It will own and operate ten plants and also a fleet of fishing vessels, with their necessary equipment.

The business consists of the production and sale of canned salmon, canned pilchards, dry salt salmon, dry salt herrings, fish meal and fish oil. There is a good demand for these products and they are sold in the principal countries of the world.

The New Capitalization

The company's capitalization is as follows:

	Authorized	To be outstanding
7% cumulative redeemable sinking fund preferred stock (this issue)	$3,000,000	$1,500,000
Common stock (no par value)	20,000 shs.	20,000 shs.

It occupies an outstanding position in the industry and its management will remain in the hands of those who have been responsible for its success.

There are net tangible assets of $130 behind each $100 preferred share now being issued. Earnings over the past three years have averaged over twice the preferred dividend requirements. For the year ending February 28, 1926, earnings applicable to the present issue amounted to $405,223, as compared with dividend requirements on this issue of $105,000. Additional plants are being constructed and it is estimated that, with the larger production, earnings applicable to preferred shares will amount to $500,000. This, and the foregoing figures of earnings, do not include an allowance for depreciation, interest and income tax.

Preferred as to Assets

The present issue is preferred both as to assets and dividends and will be redeemable through an annual sinking fund amounting to 10 per cent. of the net profits remaining after payment of the preferred dividends. Further preferred stock may only be issued to the extent of 75 per cent. of the value of additions to the company's fixed assets and no bonds may be created, except purchase money mortgages on new properties acquired. The present financing will place the company in a strong liquid position and will largely eliminate its present interest charges. Fractional common shares will be adjusted at $50 per share.

The fishing industry is one of the basic industries of the Dominion and, in the industry as a whole, the salmon industry occupies first place. The Gosse Packing Co. occupies a dominant position in the salmon industry and, as it operates its own fishery and fleet, it is thus able to reap not only a manufacturing profit, but a profit on the supply of the raw product.

Cities Waste Millions by Gross Neglect of Personnel

Sermonette on Civic Costs

The charge made by the Bureau of Municipal Research that cities and municipalities are grossly careless in the handling of their employees, and that this department of a city's costs involves much waste and inefficiency, is worthy the most serious consideration of municipal officials from coast to coast. It is stated that the City of Toronto has 9,000 employees, excluding the utilities, on a payroll of $14,700,000, and there is no definite and accurate catalogue of all these employees which would enable the council to judge as to whether the city's employees are efficient or otherwise, whether there are too many or too few. In other words, the fourteen millions are being spent largely in the dark. There is reason to believe that this problem is one of the causes of high taxes and ineffective city management in many of our Canadian cities.

One of the essentials to good government is able and efficient personnel. If, as it is often charged, appointments and promotions are made on any other basis than that of merit, then good government is impossible not only on account of bad appointments themselves but because the higher class of employee is not attracted under such conditions. If the business or industrial firm had no more supervision of personnel than many cities, it would soon be numbered among the "business failures."

Exchange of Employees

The Bureau asks a pertinent question with regard to the matter of exchange of employees as between departments, and the standardization of hours and remuneration in the different departments. Frequently there are cases in which an exchange would greatly increase efficiency all around yet many cities have air-tight departments and allow a man to become buried alive at work which he does not enjoy and to which he is not fitted. This is not a sentimental matter. It is a matter of dollars and cents. Costs of government are amounting annually, and progress is hampered by the burden of taxes. In many cases the cause is lack of any comprehensive plan on which personnel is appointed or maintained. Thousands of dollars can be saved, and tax relief can be extended if this matter of personnel in civic government is given the consideration it properly deserves.

CAFETERIAS WILL BE EXTENDED BY PREFERRED ISSUE

Muirhead's Limited Adding Fine Restaurant to Successful Business

In order to provide for expansion of the thriving business of Muirhead's cafeterias in well selected locations throughout Canada, an issue of 35,001 7½ per cent. sinking fund cumulative preferred shares and 28,005 common shares is being offered to the public by the Bankers Bond Company of Toronto. The preferred stock is being sold for $10 per share with a bonus of one share of common stock with each ten shares, or with each $100 par value purchased. This represents a yield of 7½ per cent.

Muirhead's cafeterias were established twenty-five years ago and have developed into one of the finest restaurant organizations in Canada. They are thoroughly modern and attractive, and represent a type of restaurant which bids well to continue to increase as the community expands. In addition to the Queen Street and Yonge Street branches, a new one is being opened on Adelaide Street with an additional seating capacity of more than 400 chairs. Net earnings of the company during the past six years, after making provision for heavy depreciation, have been sufficient to pay the preferred stock dividend more than twice. It is estimated that when the new restaurant is opened, the preferred stock dividend should be earned at least four times each year. This suggests a strong likelihood of early dividends on the common shares. The company will be managed by A. S. Tindale, assisted by R. J. Muirhead. The transfer agent and registrar is the National Trust Company.

How Stock is Secured

The preferred shares of the company are to be first and senior security of the company, which covenants to keep it as such. No mortgage or other security can be created ranking senior to or pari passu to this issue without the consent of the holders of 75 per cent. of the preferred shares outstanding. The company is required under the trust deed to create a sinking fund made up of ten per cent. of the net profits after the deduction of preferred dividends each year. Funds so acquired are to be used to purchase preferred shares in the open market for cancellation, or to call shares at the call price for cancellation as the directors may provide. The preferred shares will have full voting power with the common shares, and are preferred as to principal and interest. These may be converted into common shares at the option of the holder at the ratio of three common shares for one of preferred until March, 1927, and at the ratio of five to four from that date to March, 1928. From then until March, 1929, the conversion will be on a basis of share for share. The balance sheet of the company as at February 28, last, showed current assets of $110,559 and total assets of $485,278.

New Issue

The Alberta Pacific Grain Company, Limited

7% Cumulative Redeemable Preferred Shares carrying a bonus of One Share of Class "A" Common Stock.

Price: 100 and accrued dividend, yielding 7%

Fully descriptive circular upon request.

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Municipal and Provincial Finance

Alberta Bonds Gain Prestige as Products of Province Multiply

This Combined With Sound Financial Policy Must Be Ultimate Criterion by Which to Judge Bonds

While the bonds of several of the other provinces have usually had priority over the bonds of the Province of Alberta in the past, the whole basis of comparison seems likely to be altered by the rapid advances which this province is making in productivity. The outstanding advantage which Alberta has over most of the West is a greater degree of diversification. Through diversified methods of farming as well as a fairly wide variety of other branches of industry, Alberta is developing along thoroughly sound lines, and has less and less to fear from unfavorable climatic conditions or a catastrophe to any one branch.

As shown elsewhere in this issue, Alberta's farm revenue last year was 25 per cent. greater than the year before. The total was $245,662,000. Aggregate revenue from all sources is estimated at $314,080,000. These figures have come up very rapidly, having doubled in less than five years. This shows something of the potentialities of the province which has approximately one-quarter of the total arable land of the Dominion. In 1900 Alberta had 797,839 bushels of wheat; in 1910 there were 9,060,210 bushels; in 1920 83,461,000 and in 1925, 112,208,000 bushels. In 1900 there were 46,000 milk cows. Now there are half a million. In 1900, 600,000 lbs. of butter were produced. Now the total is 32,000,000 pounds. These figures are cited simply to illustrate the rapid growth in productivity which is taking place. It is this, in the long run, coupled, of course, with sound financial policy, which must determine the value of the bonds of a province or of a company.

Finances Better Than Expected

Instead of an expected deficit for the year, of $621,840, a net increase in revenue makes possible an estimated surplus of $21,989, being the difference between a revenue of $11,699,852 and an expenditure of $11,677,862. This was made possible by drastic reductions in many departments. On capital account, expenditure on capital works will amount to $5,814,013 against which there will be capital revenue of $2,190,150. There will be other sums entering into the computation of the capital requirements and borrowings for the year 1926, which, all considered, will leave a sum of $3,000,000 to be raised in the current year for ordinary capital requirements.

With regard to taxation, in 1923, the last year for which statistics are available, local taxation, including taxes for municipal and provincial purposes, is only 7.7 per cent. of the production for that year. This is a lower rate than that of any province west of Quebec. As a result of the new equalized taxation, there will be a reduction in the total assessed valuation of the province of about 20 per cent. This is equivalent to a like reduction in the only direct general tax—the supplementary revenue tax. To offset this there will be an increase in the amount of land liable to the tax.

Debt Increase is Reduced

In addition to the 42 loans of the province outstanding at the present time, with maturities from July of this year to July, 1975, and aggregating about $80,000,000, the province has a number of contingent liabilities. These include railway, university, drainage and irrigation guarantees aggregating something like $46,000,000. The net bonded indebtedness of the province during the past year was increased by $2,551,888, the smallest increase recorded since 1918. Savings certificates issued show an increase for the year, of $2,149,515. Taking over the University debt as a direct debt of the province saves a considerable sum in interest each year since the province is able to raise money on a more favorable basis by a direct issue. The sinking fund of the province at the beginning of March this year stood at $1,563,857 which is smaller than that of any of the provinces with the exception of Prince Edward Island.

The yield of Alberta bonds averages between 4.90 and 5.05 per cent. depending upon maturities, etc. A $1,200,000 issue of 20 year, 4½ per cent. bonds was sold in January at 95 and interest, to yield about 4.90. The 4½ per cent. issue of 1924 sells now round 94.50 to yield 4.95 per cent. There is an issue maturing in 1939 guaranteeing G. T. P. branch lines, selling around 90.25 to yield approximately 5 per cent. Two 6 per cent issues maturing in 1936 are selling around 107.35 which is a yield of about 5.05 per cent. It is apparent from a comparison of these with British Columbia bond prices that the two are well matched with regard to attractiveness. From here eastward a slightly different price group commences.

B. C. MAY DROP TAX ON PERSONAL PROPERTY

Half Million Dollar Levy on Gross Business Suggested as Substitute

VANCOUVER.—Abolition of the personal property tax and the substitution of a half million dollar tax on gross business income are among the taxation changes likely to be made effective in British Columbia before long.

The personal property tax has been grudgingly paid for years and almost every year business interests have launched a protest against it, but the government until now has shown a disposition to cling tenaciously to it. Now, however, it is understood to be ready to relinquish the impost provided that business men will submit to a tax on their gross income instead.

During the next few months efforts will be made to ascertain the attitude of those affected towards the proposal. It is believed that the gross income tax will be satisfactory and certainly preferred to the personal property levy. The new tax would be levied not with the idea of raising as much money as possible, but simply to replace the revenue lost through the abolition of the personal property tax. This amounts to about $400,000 a year. As the new tax would cover a far wider field than the personal property tax the individual levy under it would be smaller than that collected at present.

Many business and professional men not affected by the personal property tax would be brought within the limits of a levy on gross personal income. The personal property tax affects retail stores chiefly, as they have larger taxable stocks on hand, but the new income levy would apply to all business establishments.

The rate of the proposed new tax has not been fixed yet. A levy of about one-tenth of one per cent. on all sales and a similar rate on professional services would raise the necessary revenue.

Tenders and By-Laws

May 31, Port Hope—$37,500, 5%, 20-year debentures. J. W. Sanders, town clerk. (See announcement on page 16.)

May 26, La Salle—$34,788, 5½ per cent., 20-year debentures. P. N. Monforton, town clerk. (See announcement on page 16.)

May 25, Town of Coaticook, P.Q.—$150,000, 5 per cent., 25-year bonds Arthur Bouchard, secretary-treasurer.

May 25, Municipality of Sainte-Lucie de Beaurepard, P.Q.—$13,200, 5½ per cent., serial bonds. J. A. Breton, secretary-treasurer.

May 26, City of Levis, P.Q.—$63,000, 5 per cent. serial bonds. Lionel Lemieux, city clerk.

May 24, Town of Donnacona, P.Q.—$11,500, 5 per cent., 5-year bonds. Philipps Chalifour, secretary-treasurer.

June 5, Campbellton, N.B.—$35,000 Campbellton School Board, 5 per cent., 20-year sinking fund bonds. Donald MacLean, Secretary School Board. (See announcement on page 8.)

UNLISTED BONDS

	Bid	Asked
Abitibi 6% 1940	102¼	103
Algoma Steel 5% 1962	29¾	30½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100	100¾
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	102⅞	104
Can. National Rly. 5% 1954	101⅛	101⅞
Calgary Brewing 5% 1942	88	..
Can. Steamship Lines 7% 1942	104¾	105
Can. Pacific Rly. 5% 1934	99⅝	100¼
Can. Pacific Rly. 4½% 1944	93¼	93⅞
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	..	50
Dom. Textile 6% 1949	106	..
Elect. Develop. 5% 1933	96	..
Frontenac Brewery 6% 1951	97½	..
Fraser Companies 6% 1950	96¾	98
H. Smith Paper 7% 1941	100	100¼
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	100¾	..
Prov. of Ontario 5% 1948	101	101⅞
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	102⅞	103½
Quebec Power 6% 1958	103½	..
Winnipeg Elec. 6% 1954	96¾	97½
St. Maurice Power 6½% 1953	108	108¾
Jam. Pub. Service 6½% 1943	102	103
Span. River P. 8% 1941	105⅞	106½
Ottawa Mtl. Pr. 6½% 1949	102¼	103½

BOND MOVEMENTS OF THE WEEK

Week Eding May 18

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Can. Canners	6	1950	6.41	96¼	90	95½	94	95½	95	95¼	95
Can. Cottons	5	1940	5.40	96	91½	96	95	98	95	96	..
Dominion Coal	5	1940	6.10	90	84⅝	89½	88	89½	..	89½	..
Montreal Trams (A)	5	1955	5.46	98¾	92¾	95	92½	93	..	93¼	93
Montreal Trams	5	1941	5.23	98	94⅞	98½	97¼	..	97	97⅝	97½
Quebec Rly.	5	1939	5.53	98	89¾	95	91⅞	94½	94	95	94¼
Steel of Can.	6	1940	5.27	106	103	107½	106	..	106½	107¼	..
War Loan	5	1931	4.62	102.65	101.10	102.40	101.20	101.65	101.50	101.65	101.35
Do.	5	1937	4.60	104.95	103.80	104.65	103.40	103.85	103.75	103.60	103.40
Victory Loan	5½	1927	4.60	103.15	101.70	101.75	100.70	101.50	101.40	101.55	100.70
Do.	5½	1933	4.65	107.00	105.10	106.80	104.65	105.35	105.25	105.35	104.95
Do.	5½	1934	4.99	104.80	103.20	104.10	103.10	103.50	103.40	103.50	103.25
Do.	5½	1937	4.58	110.00	108.15	109.30	107.35	108.35	108.25	108.50	108.10
Do., Refund	5	1928	4.85	104.45	100.15	101.50	100.05	100.50	100.40	100.35	100.25
Do., Refund	4½	1940	4.90	97.25	92.00	96.70	95.70	96.00	95.90	95.80	96.05
Do., Refund	5	1943	4.83	102.95	101.15	102.15	101.15	102.00	101.90	102.15	101.80
Do., Refund	4½	1944	4.82	97.75	96.20	97.15	95.85	96.30	96.20	96.35	96.05
Do., Refund	4½	1946	4.80	.....	.....	96.10	95.65	95.85	95.75	96.05	95.65
Do., Renewal	5½	1927	4.85	102.95	100.80	101.95	100.35	101.00	100.85	101.05	100.65
Do., Renewal	5½	1932	4.98	104.20	102.60	103.40	102.15	102.85	102.75	102.70	102.55

LARGER FEDERAL SUBSIDY SOLUTION FOR TAX PROBLEM

Conference to Re-open Decision of 23% Fixed by Confederation Pact

J. A. AIKIN.

WINNIPEG.—The conference on taxation and public finance between federal and provincial delegates to convene at Ottawa early in June is pregnant with possibilities for economy and adjustment of affairs. The original meeting in November, 1924, called on initiative of the Manitoba government, was designed to deal with succession duties and did so in a preliminary manner. There was, in addition, some discussion on the wider survey then visible for a better arrangement of the field of taxation which should be more economical. It is understood the Manitoba delegates will proceed from the position taken, urge more uniformity and co-operation on rates, routine and collections, with consideration of a plan for dividing the revenue from the federal income tax with the provinces. It was understood the three provinces, by the plan proposed, would forego the income tax. British Columbia finds the income tax revenue worth two million; Manitoba gets half a million from it, and while the third, Prince Edward Island, collects proportionately less, all will want to be assured of an adequate share.

The provincial income tax in Canada is not exceptional; some of the states in the Union use this tax, notably New York. If Canada were to agree on a plan to regard the income tax as one to be levied by federal authority only, and the real property tax by the municipality only, that would represent progress. There is additional importance to the conference because of the recent meeting of the premiers of Ontario and Quebec at which the agenda was discussed and, it is understood, a common policy agreed on.

To Avoid Double Taxation

Unquestionably there is need for adjustment of the succession duties so that the inheritance tax may be levied equitably, and avoid double taxation when the estate is spread over two or more provinces. There is no design so far expressed against the principle or imposition of the inheritance tax; it is a question of how much and where.

From the national viewpoint it would be an advantage if an arrangement could be made by which the three provinces now collecting an income tax were to merge their efforts in with the federal department of finance and relieve the pressure to that extent. Prior to the Great War the west coast province was collecting the only income tax imposed in Canada, having exercised the right since 1905. Into this unoccupied field, with one exception, and acting under war and post-war necessity, the federal income tax was imposed. In the opinion of economists the income tax is sound and should be continued. Political exigency and urgency indicate the attacks on this tax are not all through yet, and certainly it is desirable to get rid of double taxation on incomes in three provinces.

These are the two main questions to be considered, so far as known. What new issues will be injected into the conference by Premiers Ferguson and Taschereau remain to be seen. They are men of resource.

Confederation Pact Terms

There is another angle to this question of public finance in Canada which calls for attention and careful deliberation. The Constitution of Canada, in Section 91, gives to the federal authority exclusive right to raise money by any mode or system of taxation. Section 121 provides for free trade between provinces. These two sections provide the Parliament of Canada with a mandate over direct and indirect taxation, which has proved valuable, seeing that indirect taxation opens the most fertile field for taxation, as well as the most flexible.

The first budget after Confederation indicated the federal subsidies amounted to 23 per cent. of the customs revenue. The federal budget for 1926 indicates the outlay for subsidies 1925-26 amounted to 11 per cent., or scarcely half of the percentage share arranged under the original bargain. It might appear at times as if the grouch of the eastern maritime provinces is incurable. But here is a definite place where the federal party to the pact is not living up to the terms. The subsidy to the provinces was agreed on in lieu of the former exercised rights of the several provinces to levy a tax on imports. It is estimated the special war tax revenues for 1925-26 amounted to $154,580,000, with expenditures attributable to the war of $166,000,000. In the light of these returns it is not admissable to plead war burdens to offset the argument for a larger subsidy to the provinces in lieu of the right of indirect taxation.

Education and Public Health Costs

In addition to the fact that the terms of Confederation involve a fourth of customs revenue to be paid back to the provinces in the form of a federal subsidy, there are urgent reasons why the federal treasury should have a larger part in carrying the burden of public welfare in the provinces. Education and public health, two very important departments and both essential to progress and safety, call for heavy annual outlay. Both are national in outlook and the service rendered is worthy of support. It is true education is constitutionally under exclusive legislative control of the provinces. But there need be no interference by the Parliament of Canada with this exclusive right. Any increase in the annual subsidy to the provinces would continue to be paid without conditions as to how it will be used.

It is not sufficient to state how much the provinces expend on education and public health; the municipalities, which form an integral part of the provincial government, are carrying burdens quite too heavy. Education and the public health are the overload. Any additional subsidy should be used to relieve the load on the municipalities. Occasionally some board of trade will resolve that economy should be applicable on school boards, looking only at the situation in a general way. Only a few months ago the Winnipeg school board came back at its critics with a comprehensive statement which ended all criticism for the time.

Prairie Provinces Move Forward

In Manitoba the outlay on education for the eight months ending April 30, 1925, was $1,282,779, of which $996,211 was for grants to schools. For the previous 12 months the outlay was $2,069,960, out of a total budget of $10,455,187, or a fifth of the total. For Winnipeg the comptroller's statement indicates expenditure on education in 1925 at $2,920,000 out of a budget of $8,598,000, or more than a third of the total. In all Manitoba total taxes imposed by the municipalities amounted to $18,265,772, of which $7,510,244 was for schools. From this it is evident the expenditure on education in Manitoba approximated to ten million in 1925.

Looking at Saskatchewan, in his last budget speech, Hon. C. A. Dunning stated that in 1924, local governing bodies in Saskatchewan levied $10,745,000 for education, plus the provincial grants of $3,351,000, a total of $14,096,000 for the year. The provincial budget for that year puts total expenditure at $12,414,000, from which it is plain that education got more than a fourth of the provincial public expenditure. In addition to that Saskatchewan expended $463,619 on public health, which was $75,000 less than the previous year.

Alberta expended $2,091,000 on education in 1925, out of a total budget of $11,589,000, and $868,025 on public health.

The western provinces are steadily moving into better positions than ever occupied. Manitoba has reported a small surplus for the last two fiscal periods. The treasurer continues to collect $1,500,000 from the municipalities, but divides the liquor profits with the municipalities.

Saskatchewan is in a strong position financially, with no income tax, no personal property tax, no soft drink tax, no amusement tax, no tax on gasoline. The liquor profits go toward reducing the public debt.

Alberta is out of the stage of deficits, and will, it is estimated, pay its way this year. In all three Prairie Provinces the conservative pay-as-you go quality of the Canadian farmer is asserting itself, with caution about taking on new obligations. Relief is wanted for the municipal taxpayer whose burdens are too heavy. In the main centres of Ontario and the western provinces, the rate runs from 28 to 40 mills and calls loudly for relief. The income tax is nothing compared to the municipal burdens which are close and acute.

An increase in the federal subsidy from 80 cents per head of the population to three dollars, would afford great relief all along the line of provinces. The governments could then increase the grants to schools and give relief to the municipalities. It would appear there is a new era of development ahead of the western provinces, but this should also apply to all Canada.

Prince Edward Island spends half a million annually on education; Nova Scotia three and a half million; New Brunswick two and three quarter million; Quebec twenty-five million, and Ontario well over forty million. The increased subsidy in line with the terms of the original confederation pact would help to solve problems now pressing in all the provinces, and be an antidote for the anti-education campaign of North America.

It may also be that any reconsideration of the question should include a settlement of the outstanding issues of the rights of the western provinces to the natural resources and the public domain which has proved to be difficult of solution. Cash is the nexus to some hard problems. It should help in the settlement of the national knots for Canada, if utilized in the right way.

The time is opportune for a national re-survey of taxation to be made by experts, representing the federal and provincial governments, with due regard for the interests of the municipalities. It should be given the form of a general understanding that in action following the re-survey, a policy of economy will be followed, the purpose of relief for the taxpayer to be kept ever in view as a guiding star.

This Week's Bond Sales

DISTRICT OF POINT GREY

The district of Point Grey, B.C., has awarded a new issue of $1,215,800 straight term 5% bonds to Wood, Gundy & Co., at a price of 98.10. The issue includes bonds issued under several by-laws, and mature from 1936 to 1966. Point Grey has a population of 27,000, and is a suburb of Vancouver, immediately adjoining that city on the south and west. At the price of 98.10 the cost to the district is approximately 5.15 per cent.

WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Bond Sales—		Municipal					
Sydney	May	W. L. McKinnon & Co.	5½%	1941	$100,000	100	5.50
District of Point Grey	May	Wood, Gundy & Co.	5%	1936 to 1966	1,215,800	98.10	5.15
Woodstock, N.B.	May	Winslow & Winslow	5%	1967	82,000	97.57	5.04
Tisdale Twp.	May	W. L. McKinnon & Co.	5½%	1936	32,000	99.04	5.68
		Corporation					
St. Michael's Hospital	May	Municipal Debenture Corp.	5½%		500,000	100	5.50
Stock Issues—							
Goose Packing Co.	May	McLeod, Young, Weir & Co. and Syndicate	7%	Pref.	1,000,000	100	7%
Muirhead's Cafeterias	May	Bankers Bond Co., Gairdner & Co., and Worthington, Savage & Co.	7½%	Pref.	35,001 shs.	10	7½%

We deal in—
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Bell Telephone 5's 1955
Belgo Paper 6's 1943
Belgo Paper 7% Preferred Shares.
Quebec Power 6's 1953
Quebec Railway 5's 1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s 1930
Wayagamack 6's 1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's 1942
Windsor Hotel 6½'s 1943
Laurentide Power 5½'s 1946
Duke-Price Power 6's 1949
Manitoba Power 5½% 1951
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Insurance for Buyer and Seller

Fire Prevention Problem of Industrial Concern

Influence of Manufacturers in Preventing Fires is of the Greatest Importance — Hope for Reduction in Staggering Losses is Not Unreasonable

By G. D. FINLAYSON,

Superintendent of Insurance, Ottawa. Address delivered to Dominion Fire Prevention Association, of which Mr. Finlayson is Honorary Secretary.

THE Dominion Fire Prevention Association was organized as a result of a meeting held in December, 1918, for the purpose of considering measures to reduce Canada's fire waste.

At that time, due to war activities, construction costs were rapidly increasing, and during the next two years there occurred a period of inflation such as Canada had probably never before experienced. The result was a marked decrease in the fire loss, the record of 1919 and 1920 being particularly favorable.

With the advent of the following period of deflation, fire losses commenced to mount, and in the years 1921 and 1922 losses were especially heavy. It now appears as if a permanent tendency in the other direction has taken place. The losses for 1922 and 1923 were practically the same, namely $48,000,000, if we exclude from the 1922 figures the Northern Ontario conflagration loss. The year 1924 showed a reduction of approximately 5 per cent. below the 1923 figures, and it is gratifying to be able to record that for the year 1925 a further reduction of over 11 per cent. has been experienced as compared with 1924. The amount of loss in 1925 is given as $40,712,175, the loss for 1924 being $45,906,531, or a decrease in 1925 of $5,194,356.

Following Business Trend

It has been pointed out in previous reports that the curve reflecting fire loss is strikingly similar in form to the curve illustrating bankruptcies and business failures. A period of depressed business and industrial conditions is accompanied by heavy fire losses and industrial activity is reflected in a low rate of loss. While this tendency is marked, there can be no question that the fire curve is very greatly affected by at least three other factors, namely:

(1) Increase in the amount of fire resistive construction and fire protection.

(2) Increase in stringency and effective enforcement of arson laws, and

(3) Increase in public education on the economic significance of fire waste.

The efforts of the Dominion Fire Prevention Association have been continuously directed along all three of the foregoing lines of action.

Early in the history of the association a special campaign was undertaken towards securing greater protection by means of automatic sprinkler installations. This campaign was greatly interfered with by the increase in cost of materials for the first few years. It is gratifying, however, to be able to report that at the present time, installation of sprinkler equipment is proceeding at an unprecedented rate, and the sprinkler companies report a gradually increasing business.

The increase in sprinkler installation has been favored by reduced fire insurance rates on sprinklered properties. Statistics prepared by the department of insurance have shown that reductions in rates on this class of property are justifiable, and the insurance companies are making concessions in rates of which the owners of property have been quick to show their appreciation.

More Fire-Proof Buildings

The increase in fire-proof construction is gradual and substantial. This also is favored and encouraged by the system of rating of fire insurance risks, which make it advantageous to the owner to build substantially. The effect of this tendency in construction in checking conflagrations and reducing direct fire loss will be increasingly apparent as time goes on.

In 1919 the enactment of the amendment to the criminal code respecting negligence marked a new departure in the legislative view of fire loss. This act has been found to be of substantial value, orders having been issued under it from time to time and changes and improvements secured thereby.

It is worthy of note that the fire insurance companies have, during the past few years, undertaken a system of inquiry into cases of suspected arson, and have been instrumental in disclosing many fraudulent acts, and in some cases in securing convictions. This work is not only in the interest of conservation of property, but in the interest also of the honest property owner who should not have the legitimate cost of protection from fire enhanced by the machinations of the fire bug.

At the same time educational measures have not been neglected. Two provinces have now adopted regular systems of instruction in fire prevention, and the work is commended by the educational authorities in other provinces.

The work of this association has been, it is believed, of the greatest importance in bringing together diverse points of view respecting many of the questions involved in a fire prevention programme, and it has in this way served as a clearing house for ideas in some respects in conflict.

Early in the history of the association it became apparent that the interactions of different lines of business produced different attitudes of mind towards fire waste and fire prevention. Often the realization of the ultimate economic disadvantage of fire loss from the national standpoint is obscured by the immediate and obvious advantage to be gained by destruction of property by fire. One cannot much wonder if the laborer, who finds remunerative employment through the rebuilding of the Chateau Frontenac, is not much impressed with the arguments of the fire preventionist who deplores all fire waste, or if his point of view is largely shared by the various trades which are called upon to provide the materials of reconstruction. On the other hand, it is easily proved that the ultimate effect in a national sense of destruction of property is disadvantageous. Waste can never, in the long run, be profitable, and the work of this association in trying to secure a recognition of this fundamental principle is believed to be of the greatest importance from a national standpoint.

Problem of Industrial Management

It is necessary for us to keep before us the fact that the fire prevention problem is very largely a problem of industrial management. The figures which J. Grove Smith, Dominion fire commissioner, has presented to the association from time to time, show clearly that the great bulk of the loss occurs in large industrial plants. It is therefore of the greatest significance that the organized manufacturers of Canada are taking an increasing interest in the work of this association. Their influence means everything for the success of the work we are trying to do, and we can properly look to them for leadership in the movement.

With the growing prospect of gradual and complete emergence from the economic aftermath of the Great War and with greater stabilization of values and industrial activity the hope for a more moderate fire loss in the future than in the past few years is not unreasonable.

EARNING POWER RAW MATERIALS INSURABLE

"Use and Occupancy" Insurance Can be Made to Cover Time Element in Stock Purchases

It is very evident that a factory can not continue to earn its dividends if its important buildings and machinery are destroyed by fire. For that reason use and occupancy insurance on factory buildings and equipment is being purchased by factory owners everywhere. But raw materials are as essential to production as buildings or machinery. If the machines have nothing to work on, no finished products can be turned out.

In many industries there are one or more raw materials entering into the product, that cannot easily be obtained in the open market, and must be purchased abroad, or contracted for far in advance. Frequently it happens that the manufacturer will purchase this essential material in car loads or larger quantities, and store a sufficient supply in his warehouse to insure him a continued supply for three or six months in advance.

Should the warehouse storing this essential raw material be burned, a new supply could not immediately be obtained. Weeks or even months might pass before a new supply could arrive. During this time the factory would be obliged to suspend business, even though its manufacturing equipment was not touched by the fire. A company making cottonseed oil, for example, buys its full supply of seed for its operating season at the time the cotton is ginned. If this supply were destroyed, it might be difficult or impossible to get a new supply until after the next cotton crop was harvested.

A manufacturer using a rare wood such as mahogany or other woods, which must be seasoned for a certain length of time in the warehouse before it is ready for use, might find it very difficult or impossible to quickly replace his supply of properly seasoned raw material, if the contents of this warehouse were destroyed.

Pulp and paper mills might come in the same category. Pulp wood is usually cut in winter, floated down to the mill in the spring and summer and gathered together in great piles at the mill in the fall. Should the pulp mill's supply of wood be destroyed in the fall, the problem of securing a new supply of pulp wood might be so great as to necessitate suspension of operations until a new supply of wood could be floated down the next spring.

To meet such contingencies Canadian fire insurance firms sell use and occupancy insurance on raw stock.

Making $10,000 Create an Estate of $40,000 by Life Insurance

Some Ways That Young Business Men Can Build the Biggest Estates With the Smallest Investment, Using Life Insurance

The number of people who carry sufficient insurance, to enable their families to maintain, after the death of the breadwinner, the same standard of living that was enjoyed prior to that unfortunate event is decidedly limited. One reason is that few young men can afford to pay the premiums that would be necessary to carry such an amount of insurance. Yet there is no doubt that the simplest, quickest, most certain way of building an estate is through making use of the service of life insurance. Any conscientious, successful man can, by the exercise of thrift and good investment sense, build up a sizeable estate, if given a term of years to do it. But while he is engaged in the process no one is carrying the risk of disaster to his plans and that is where life insurance fits in.

Borrowing to Buy More

Making the most of life insurance in building an estate often involves the use of expedients that do not occur to the average man. For instance, there has grown up a fairly widespread practice of borrowing on life insurance policies to buy more insurance. It used to be considered a very unfortunate thing to be forced to borrow on a life insurance policy. The company bent every effort to induce their clients to pay off loans contracted. To-day they still view with alarm loans made for speculative or luxury purposes. But they encourage loans made to buy more life insurance.

To-day, if a man has a loan against his policy, and shows some intention of paying it off, he will probably be approached by an agent of the company, who will suggest that, instead of paying off the loan, he use the money he has gathered together for that purpose to buy more life insurance. The point will be made that the $500, let us say, which would pay off the loan would buy another $20,000 of life insurance and carry the premiums for a year. If the prospect died within a year, his estate would be $19,500 better off by the transaction. And as for carrying on the policy; surely if he could save $500 to pay off the loan this year he can save the same amount in future years to carry on the policy.

Creating Big Estates

There are a number of young financial men who take out life insurance policies on the cheapest plans they can obtain and as soon as the policies have acquiried a loan value, borrow on them up to the hilt, reinvesting the proceeds in further insurance. By pyramiding in this fashion over a terms of years, a very large estate can be quickly built up. True, there will be in time large loans against all the policies but the 6 per cent. interest which the insured will pay on these will be a small rate for a man who is actively building up a business on small capital plus much energy.

The ultimate disposition of the policies and loans can be decided as time goes on. Either the loans can be paid off as the business man begins to cash in on his investments in his business; or the policies can be dropped, if he feels he no longer needs them, having built up an estate in cash or investments; or he can even continue to pay interest on the loans, allowing the amount to be deducted from the face value of the policy, when it is finally paid over to himself or his estate.

Another plan which savors something of magic, is to use the interest from a lump sum invested in securities to buy insurance. For instance, a man with $10,000 could build an estate of nearly $40,000 without ever adding a dollar to the amount. He would invest $10,000 (or the $1,000 or whatever sum he had) in a group of well diversified, safe securities, yielding on the neighborhood of 6 per cent. The $600 a year income would pay for the average young man the premium on $25,000 to $30,000 of insurance on some low cost plan. True, he would not have the $600 a year available to spend or reinvest but he would be creating an estate immediately and he would have no further expense or burden in connection with the plan whatsoever.

Meeting is scheduled for May 22, at Lacombe, Alta., to approve amalgamation of Lacombe Farmer's Mutual Fire Insurance Co., with the Wawanesa Mutual Insurance Co., of Wawanesa, Man.

Insurance Personals

Griffin M. Lovelace, of New York University speaks at the Toronto Life Underwriters May meeting on May 21. Mr. Lovelace is director of insurance training at the university.

* * *

At the seventh annual meeting of the Canadian Association of Life Agency Officers, Niagara Falls, officers for the ensuing year were elected as follows: Chairman, J. W. Simpson, Sun Life, Montreal; honorary secretary-treasurer, H. W. Manning, North American Life, Toronto; secretary-treasurer, J. O. Gallow, Imperial Life, Toronto. Executive committee, W. H. Blackstock, Phoenix Assurance Co., Montreal; J. Tower Boyd, Confederation Life, Toronto; L. A. Spalding, Manufacturers Life, Toronto; H. E. North, Metropolitan Life, Ottawa; S. C. McEvenue, National Life, Toronto.

* * *

"We are particularly interested in the expansion of the company's business in the west," said R. C. MacKnight, general manager of the Northern Life Assurance Company of Canada, while in Winnipeg on a tour of the company's branch offices.

"Our company," Mr. MacKnight said, "has adopted a policy of centralization. For instance, in Winnipeg we own our own building. It represents quite a heavy investment, but from this building here we direct the activities of all our agents and branches from the head of the Great Lakes to the Saskatchewan boundary, and it seems to be working out quite satisfactorily, as our business in this district, under the managership of Stanley Cottle, has trebled in the past year."

* * *

John Holroyd, for many years manager of the Commercial Union Assurance Company in Winnipeg, will leave that city May 30 to assume his new duties as general manager for Canada of that company, with headquarters in Montreal.

Mr. Holroyd has lived in Winnipeg for 40 years. He was born in England, but has spent most of his life in Canada. He has been associated with J. C. Waugh in the insurance business for many years.

N. J. Black, formerly with the United Grain Growers, will succeed Mr. Holroyd as Winnipeg manager of his company.

* * *

The Canadian head office of the Metropolitan Life, announces the following changes in the field: A. E. Ironside, agent at Ottawa, Ontario, is appointed general assistant manager for the Canadian territory; J. P. Thorstad, assistant manager at Winnipeg is appointed general assistant manager for a period of two weeks, after which time he will take an agency; Edward J. Reuel, agent at Kitchener, Ontario, is appointed assistant manager at Kitchener; T. W. Leighton, manager at Calgary, Alberta, is appointed manager at Lake Shore (Toronto); J. A. MacLeod, assistant manager at Ottawa, is promoted to manager at Calgary.

LICENSES ISSUED

A Dominion license has been issued to the Royal Insurance Company to transact the business of fly-wheel insurance, in addition to the classes for which it is already licensed.

The Grain Insurance & Guarantee Company has been granted a license to transact the business of fire insurance, burglary insurance, forgery insurance, guarantee insurance, and hail insurance.

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Tareyton
London Cigarettes
"There's something about them you'll like"
20 for 35¢

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Tareyton
SMOKING MIXTURE

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CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
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TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

The
ONTARIO EQUITABLE
Life and Accident
Insurance Company
S. C. TWEED, President
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Assets over $2,000,000

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TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
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(20-PAY LIFE) AGE 30. ANNUAL DEPOSIT. $184.00.
BENEFITS—$5,000 for natural death. $10,000 for accidental death. $50 a month for total and permanent disability with all future premiums paid by Company and $5,000 paid dependents at your death. $24.75 in dividends at beginning of second year and increased dividends every year thereafter.
Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.
The NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

Are You Ready for To-morrow?
Being ready means that your house is insured against loss by fire, your furniture and belongings against loss by fire or theft, your car against fire, theft or accident, and your business protected against fire and loss of profits by "business interruption" insurance.
You can secure policies from this Company's Agents to protect all your possessions from loss in any form.
The Western Assurance Company of Toronto
Established 1851

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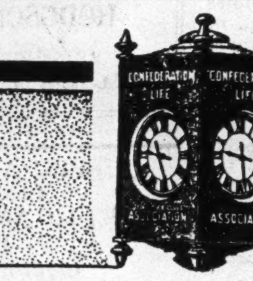

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The payment of the face value of the policy at death or maturity.
Double the amount of the policy if you die by accidental means.
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Current Events in Banking World

COLLECTIONS OF TO-DAY AND LOANS OF TO-MORROW

Bankers Interested in the Problems of the Credit Men

In announcing a convention to take place in Vancouver, on July 12-14 next, the Canadian Credit Men's Association through its general manager, Henry Detchon, of Winnipeg, has prepared some literature for the consideration of its members which develops, in a very forceful way, important questions in regard to advances and credits; questions deserving of careful study by every banker, moneylender and creditor, observes "The Link."

There is a general consensus of reliable opinion that Canada is facing a new era of expansion. Past experience has shown that such periods hold dangerous possibilities in uncontrolled business enthusiasm. Business conditions are already changing and are charged with problems of vital interest to national trade. The key to their successful solution is largely in the hands of the credit men.

It is a good thing, at this time, to take stock of the new status of the credit manager, that of a recognized business builder as well as business saver. Probably no other class of executives has made greater progress in the last decade or two, or more firmly established its definite position in the commercial world. Credit is the lifeblood of modern business and big executives now recognize and appreciate that upon the man in control of credit rests a great deal of the responsibility for success or failure. In bringing about this recognition and appreciation there has been probably no greater factor than the Association of Credit Men.

Credit Conditions Changing

Previous to the war it was customary for wholesalers in all lines of trade to extend large and long lines of credit. Retail merchants followed suit with the result that an unprecedented expansion of liabilities took place which, even before the war, compelled retrenchment along credit lines if serious national trouble was to be averted. For the past few years curtailment of credit has been the order of the day. Banks have ceased to lend in the free, open-handed manner of previous years and have insisted upon reduction of loans. Wholesalers have been compelled to get their customers' accounts into some reasonable shape. Retailers have been endeavoring to get their credit accounts down to a more business-like basis. The result has been economy and retrenchment all along the line. This has led us to our present position, where outstandings have been largely reduced, but where purchases are being made or allowed only upon the basis of actual requirements. Our accounts are in better shape. We owe our bankers less and our merchandise stocks are getting down to a more normal basis in proportion to the business done.

How to Meet Expansion

When this expansion comes what system are we going to adopt to prevent a repetition of what has happened during the past few years? Are we going to fall over each other in seeking business by another reckless period of credit inflation? Are we going to carry on our books large "supply accounts" as we have done in the past, or are we going to do our business along sane, safe credit lines? Are we going to fatten the purses of the bankruptcy trustees by forcing assignments through too liberal extension of credit, or are we going to conduct our credit departments so as to avoid in the future the terrible losses of the past?

What are we going to do to cash in on the large, long and slow accounts we already have on our books?

How can we rejuvenate businesses that are not showing signs of progress and in which we have heavy interests?

What are we going to do with the customer who is already on the verge of failure? How can we save him and ourselves?

What system can we adopt in our credit departments to prevent our incurring bad debts?

What system has the other fellow got that we haven't? Some men seem to collect their accounts better than others. How do they do it? What system do they follow? How do you know when an account should be sold or when it should be closed? What information do you get, and where and how do you get it, upon which to judge? Or do you guess? Is this information readily available when required? What records do you keep for this purpose? Or have you any records?

The business of Canada, with trifling exceptions, is all done on credit. Is it therefore to the lines of action followed in credit matters that we must chiefly look for success or failure? Are the mercantile agencies giving you their best? Is your credit department co-operating successfully with the credit departments of other houses which are confronted with problems of a similar nature? Are the laws of the land hampering you in any way, and should they be amended? Are the insolvent estates in which you are interested being wound up to produce the best results? Is the Bankruptcy Act meeting the needs of the country, or were the old assignment acts better? Can bankruptcy trustees be eliminated altogether and estates wound up better and more economically in your offices? Is fire insurance providing that protection it is established for? Is the perpetration of fraud bearing heavily upon your business? Are the laws adequate for the prevention of fraud and the punishment of the fraudulent?

Outside of the larger questions involved, the education of credit men along such lines as the following cannot fail to redound to the advantage of the houses represented.

The correct way to gauge a credit risk.

How to read a customer's financial statement, a customer's trading statement, a mercantile agency report.

WEYBURN BANK IN STRONGER POSITION

The Ratio of Immediately Available Assets is Considerably Increased

Little change in the business situation in the West in the field of the Weyburn Security Bank in Saskatchewan is indicated in the annual report of that comparatively small but well managed chartered bank. Assets increased but profits were slightly smaller at $44,605. After paying taxes and writing off fixtures and bank premises, there was a surplus above dividend requirements of $1,658, increasing the balance to $22,185. Following are comparative figures:

	1925	1924	1923
Profits	$44,605	$46,601	$40,270
Taxes	7,449	8,015	6,666
Written off	9,270	6,938	4,001
	$16,719	$14,953	$10,667
	$27,886	$31,648	$29,603
Dividends	26,228	26,228	31,474
	$ 1,658	$ 5,420	$ 1,871
Bal. forward	20,527	15,108	16,979
Balance	$22,185	$20,528	$15,108

Current loans showed a decrease of $145,000 during the year but, with an increase of $527,000 in savings deposits and $233,000 in demand deposits, and an increase of $133,000 in circulation, total assets expanded nearly $900,000. By increasing investments in government securities by $290,000, adding $100,000 to gold reserve and increasing balances in other banks by about $665,000, the liquid position of the bank was materially improved, the immediately available liquid assets increasing by over $1,000,000 and representing 54.7 per cent. of the total assets and 63.1 per cent. of total liabilities to the public. Following are comparative figures from the balance sheet:

IMMEDIATELY AVAILABLE LIQUID ASSETS	1925	1924	Change
Specie	$20,003	$18,935+	$1,068
Dom. notes	58,485	52,211+	6,274
Note cir. dep.	26,731	24,982+	1,749
Notes, bank	20,965	22,948−	1,983
Bank bal.	1,788,309	1,280,177+	508,132
Do., ab'd.	201,173	44,494+	156,679
Gov. secs.	647,543	357,469+	290,074
Cheques	59,097	60,727−	1,630
For. curr.	1,970	1,452+	518
Gold reserve	400,000	300,000+	100,000
	3,224,276	2,163,395+	1,060,881
% total assets	54.7	43.2+	11.5
% total liab. to pub.	63.1	51.2+	11.9
Other Assets			
Pub. secs.	$9,315	$9,315	....
Other secs.	209,846	91,750+	118,096
Current loans	1,727,233	1,872,358−	145,125
Non-curr.	99,549	109,825−	10,276
Mun. loans	11,227	11,243−	16
Real estate	185,408	160,888+	24,520
Mortgages	94,855	73,475+	21,380
Premises	241,734	233,174+	8,560
Can. call loans	......	200,000−	200,000
Other assets	90,491	83,473+	7,018
	2,669,658	2,845,501−	175,843
Total assets	5,893,934	5,008,896+	885,038
Liabilities to Public			
Circulation	858,912	725,923+	132,989
Dem. deposits	1,935,093	1,701,781+	233,312
Savings	2,180,546	1,653,508+	527,038
Due banks	19,318	15,451+	3,867
Due Dom. Govt.	64,605	60,238+	4,367
Due Prov. Govt.	31,058	38,847−	7,789
Other liab.	18,942	29,743−	10,801
	5,108,474	4,225,491+	882,983
To Shareholders			
Capital	$524,560	$524,560	$.....
Reserve	225,000	225,000	$.....
Dividends	13,714	13,318+	396
Balance	22,186	20,527+	1,659
	$785,460	$783,405+	$2,055
Total liab.	5,893,934	5,008,896+	885,038

IMPERIAL BANK

The following staff changes are announced by the Imperial Bank: P. Cooper, formerly manager, Norwood Blvd., Edmonton, has been transferred to the Main branch, Edmonton, (savings department). W. P. Graham, formerly manager, Handel, has been appointed manager, Norwood Blvd., Edmonton, replacing Mr. Cooper. R. S. McClay, formerly manager, North End branch, Winnipeg, has been appointed manager, Handel, Sask., replacing Mr. Graham.

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES	May 14, 1925	May 13, 1926
Halifax	$ 2,996,608	$ 2,737,903
St. John	2,524,175	2,616,127
Moncton	804,562	927,979
Sherbrooke	686,470	658,357
Quebec	5,771,266	14,359,595
Montreal	99,018,083	105,576,352
Ottawa	6,767,267	7,454,429
Kingston	661,345	773,407
Peterboro	902,793	900,599
Toronto	97,909,395	97,635,874
Hamilton	4,713,172	4,890,435
Brantford	876,006	901,718
London	2,416,950	2,491,604
Kitchener	857,484	998,492
Chatham	....	686,793
Windsor	3,238,964	4,730,698
Sarnia	....	576,616
Total, East.	$230,164,540	$248,916,978

WESTERN CITIES	May 14, 1925	May 13, 1926
Fort William	$ 935,382	$ 1,115,402
Winnipeg	51,940,382	47,843,950
Brandon	555,824	490,393
Regina	2,766,518	3,520,142
Moose Jaw	863,421	854,725
Saskatoon	1,352,614	1,897,604
Prince Albert	283,185	376,939
Lethbridge	410,306	465,280
Medicine Hat	254,243	243,317
Calgary	4,997,112	6,359,301
Edmonton	3,714,300	5,297,712
New Westminster	585,138	661,736
Vancouver	15,188,767	15,451,005
Victoria	1,986,165	1,904,755
Total, West.	$85,833,357	$86,482,261

DISPOSING OF SOME FALLACIES ABOUT EXCHANGE

Direct Reflection of International Trade and Finance

By A. B. BARKER.

When American funds are quoted at a discount in Canada, and conversely Canadian funds in the United States are at a premium, the comments in the Canadian press are usually of a very curious character. The authors are all pleased at the appreciation of Canadian currency, but usually manage in their remarks to give a totally erroneous impression of what has happened.

Before the war, when the bulk of our foreign indebtedness was to British investors, i.e., when it was in London that our governments, federal, provincial, and municipal, as well as our Corporations, floated their debentures, American funds in Canada ranged at a slight discount eight months out of the twelve. With the war the London market was closed to outside issues, and as trade was at a standstill the adverse balance of trade piled up against Canada in favor of the United States. Before the war the purchases of goods by Canadians in the United States far exceeded American purchases in Canada, and our sales of commodities in Great Britain far exceeded our purchases in that country. The result was that there was a surplus of sterling funds, which was saleable in the United States, and this maintained the Canadian dollar, to use the phraseology of the press, close to or slightly over par in the United States. Deprived of this source of supply there accumulated a large adverse current balance against Canada in favor of the United States. The result was that American funds were in demand in Canada far in excess of the supply, and as it was impossible to obtain the only medium of settlement of international obligations—gold—the price advanced until one hundred American dollars cost in Canada one hundred and seventeen dollars in Canadian currency, i.e., Canadian currency was depreciated to this extent. Theoretically payable in gold on demand it was not actually so payable, and the extent of the depreciation was the market estimate of the chances of eventful payment in gold as agreed.

The natural result followed. The various governments and corporations which required to borrow issued debentures at attractive rates of interest, and this gradually attracted American investors, who bought Canadian securities to such an extent, that the funds obtained were sufficient to supply the demand in Canada for American funds, and the rate of exchange fell to par.

Effect of Tourist Traffic

During and since the war Canadians have continued to buy in the United States in excess of the purchases of Americans in Canada, though the excess is not so noticeable as it was, and during the tourist season the stream of travel from the United States has been steadily increasing. This tourist traffic has exactly the same effect on Canadian trade as if the goods and supplies used by American tourists in Canada had been shipped to the United States, and consumed there; better in fact as, when the goods are shipped to the United States, they are sold in bulk at wholesale prices, and the profit in distributing them is made by American dealers. When the tourist comes to Canada this profit is made by Canadian dealers.

In congratulating ourselves on the present position of the Canadian dollar in comparison with the American dollar therefore, it is well to remember that the chief reason for the improvement is due to American loans

(Continued on page 16)

Staff Gossip

D. E. Rusler, of the local staff of the Bank of Montreal, has been transferred to the Edmonton branch of the bank. —News, Provost.

* * *

B. W. Dashwood left for Saskatoon, having been transferred to that point from Kamsack by the Canadian Bank of Commerce.—Times, Kamsack.

* * *

Mr. Montgomery, who has been teller in the Standard Bank, here, for the past few years, is being moved to Calgary.—Herald, Penetanguishene.

* * *

M. B. Harrington has arrived to take over the duties as manager of the Bank of Commerce here. — News-Tribune, Blenheim.

* * *

Another change has been made in the management of the local branch of the Standard Bank. Walter Johnston, manager, who has been relieving in Ottawa lately, has been transferred to Durham, Grey County, while J. A. Allen, now of Killaloe, will come here.—Post, Deseronto.

* * *

E. W. Spurr, who has been manager of the Devon branch of the Canadian Bank of Commerce for the past six years, has been transferred to New Glasgow, N. S., and expects to leave about June 1, to take up his new duties which came in the way of a promotion. He is being succeeded by C. J. Laughlan, who has been manager of the Bank of Commerce at Stanley for some years past and who is being succeeded at Stanley by R. F. P. Jardine, of Halifax. —Gleaner, Fredericton.

* * *

After having completed 47 years' service with the Bank of Montreal, C. E. Freer who since 1910 has been manager of the Guelph branch, has retired on pension, and will be succeeded in Guelph by J. M. Clancy, of the superintendent's office at Calgary. Mr. Freer started his career at Brockville and has since been engaged in turn at Almonte, Montreal, London, Chicago, Sarnia, Ottawa, Collingwood and Guelph. Mr. and Mrs. Freer will shortly take up their home at Oakville.—Spectator, Hamilton.

* * *

Prior to the departure of W. C. Gillam, who has been accountant at the Brantford office of the Canadian Bank of Commerce for the past five years, and who has now been attached to the staff of relieving managers in Toronto, the staff gathered in the banking room to make him a presentation. F. A. Gregory, the manager, on behalf of the staff, expressed regret at losing Mr. Gillam from the office, at the same time extending him congratulations on his advancement and wishing him every success in his future banking career.—Expositor, Brantford.

DOMINION BANK

The Dominion Bank announces the following staff appointments: J. L. Hunt, formerly manager at Medicine Hat, Alta., has been appointed manager at Calgary, Alta. W. W. Creswick, formerly accountant at Queen and Ossington branch, Toronto, has been appointed acting manager at Thamesville, Ont.

BANKERS TO VISIT VICTORIA

VICTORIA.—Two large parties of United States bankers will visit Victoria during September and October. The first to reach the city will be on September 22, the second party arriving on October 12. The first group of bankers will be on their way to the American Bankers' Association convention to be held in Los Angeles, while the other party will call here on their way back from the same convention.

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Melachrino
NO.48
CIGARETTES
"The One Cigarette Sold the World Over"

Canadian Cottons, Limited

MONTREAL, CANADA

Sixteenth Annual Report for Year Ending 31st MARCH, 1926

ASSETS

Cash		$77,054.64	
Book Debts, net cash basis. Bills Receivable and Sundry Open Accounts		1,590,362.12	
Inventory of			
Cloth	$1,145,052.43		
Process and Yarns	249,067.84		
Raw Cotton	709,152.02		
Supplies	129,526.15		
Insurance unearned	65,000.00		
		2,297,898.44	
Investment Bonds		1,500,000.00	
Total Current Assets			$5,465,315.20
Bonds in Treasury and for Sinking Fund			956,598.67
Stocks in other Companies			203,798.87
Properties			
Mills, Properties, Plants, Waterpowers, etc.			10,078,536.82
			$16,704,249.56

LIABILITIES

Open Accounts including Estimated Tax Reserve	$905,738.95	
Bond Interest accrued and Divds. payable April 4th	149,212.50	
Bills payable	247,498.41	
Total Current Liability		$1,302,449.86
Bonds	$5,000,000.00	
Less Redeemed	784,993.33	
Capital		4,215,006.67
Preferred Authorized $4,500,000.00 ... Issued		3,661,500.00
Common Authorized $3,500,000.00 ... Issued		2,715,500.00
Reserves		
Depreciation	$1,400,000.00	
Bad Debts	100,000.00	
Special Replacements	600,000.00	
		$2,100,000.00
Surplus		
Balance at Credit of Profit and Loss, 31st March, 1925		2,709,793.03
Indirect Liabilities		$16,704,249.56

Customers' paper under discount $245,240.59.

Montreal, 6th May, 1926. Verified, C. W. BAKER, C.A., Auditor.
CHAS. R. HOSMER, A. O. DAWSON, Directors; A. BRUCE, Secretary-Treasurer.

PROFIT AND LOSS ACCOUNT

31st MARCH, 1926

To Bond Interest on net amount outstanding	$154,924.32	
Four Dividends of 1½% each on Pfd. Shares	219,690.00	
Four Dividends of 2% each on Com. Shares	217,240.00	
		$591,854.32
Bad Debts		23,697.70
Balance forward		27,128.96
		$642,680.98
By Net Manufacturing Profits		$550,058.21
By Interest on Investments		92,622.77
		$642,680.98
By Balance forward		$ 27,128.96
Add Balance, 31st March, 1925		2,682,664.07
		$2,709,793.03

To the Shareholders:

Your Directors herewith present the Sixteenth Annual Report of your Company for the year ending March 31st, 1926.

The improvement in business noted in the latter part of the fiscal year 1924-25 continued through the year 1925-26, resulting in sales of $9,606,641.01 as compared with $8,549,897.97 for the previous year.

These sales practically correspond with those of the year 1923-24, showing a return of conditions prevailing during that period.

The year's transactions have permitted the addition of $27,128.96 to the credit of Profit and Loss Account, which now totals $2,709,793.03.

The profits of the year provided the usual amount for depreciation, but were not sufficient to cover the $200,000 short on the previous year's operations.

The working capital of the Company is now ample for the needs of the business, and borrowing is only resorted to during the season of cotton buying.

It is difficult to forecast the year 1926-27. Raw cotton is low in price, but goods in both England and the United States are selling below the parity of cotton. In the Southern States this is particularly so at the present time. The desire for business appears to have precipitated a price war, which is causing great concern to the mills involved.

Unfortunately your Company has to meet these cut prices or cease operations, the latter course being quite as serious as the selling of goods at or below cost.

The Canadian Dumping Clause of the Tariff ought to operate in cases of this nature, but under existing regulations little is being done to assess a proper valuation for customs duties on such goods.

For the present there appears little likelihood of your Mills being able to operate full time.

A hopeful phase of the situation is that stocks throughout the country are low, and if business confidence can be maintained, we believe that the year before us may be made as successful as the year which has just closed.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted, CHARLES R. HOSMER, President.

Dominion Textile Company, Limited

Annual Report For the Year Ended March 31st, 1926

Assets

Land, Buildings and Machinery (Less Depreciation)		$19,193,946.63
Raw Cotton	$ 860,002.16	
Stock Mfd. and in Process	916,153.61	
Supplies	336,358.76	
Cash and Bills Receivable	1,946,339.07	
Open Accounts	2,657,150.60	
Insurance	139,000.00	
Investments	3,671,855.98	
TOTAL LIQUID ASSETS	$10,526,860.18	10,526,860.18
		$29,720,806.81

Liabilities

Capital—Common Stock (authorized and issued, 225,000 shares of no par value)	$15,000,000.00	
" —Preferred Stock	1,940,600.00	
Bonds	5,172,000.00	
		$22,112,600.00
Deposits	$ 127,075.11	
Open Accounts (including Reserve for Income Tax)	893,595.04	
Allowance—Wages	262,000.00	
" —Interest on Bonds	25,860.00	
" —Preferred Dividend	33,960.50	
TOTAL LIQUID LIABILITIES	$ 1,342,490.65	1,342,490.65
Reserves—for Bad and Doubtful Debts, etc.		266,552.43
Profit and Loss Account		5,999,163.73
		$29,720,806.81

C. B. GORDON, President.
F. G. DANIELS, Director.

The President and Directors,
DOMINION TEXTILE COMPANY, LIMITED.

Gentlemen:—

We certify that we have audited the financial books and records of the DOMINION TEXTILE COMPANY, LIMITED, for the year ended March 31st, 1926, and that we have obtained all the information and explanations required by us.

In our opinion the above Balance Sheet and Relative Profit and Loss Statement are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) P. S. ROSS & SONS, Chartered Accountants, Auditors.
Montreal, May 8th, 1926.

Profit and Loss Account for Twelve Months Ended 31st March, 1926

March 31st, 1926—Interest on Bonds	$ 310,320.00
Dividend—Preferred Stock	135,842.00
" Common Stock	1,125,000.00
Balance at Credit	5,999,163.73
	$7,570,325.73
March 31st, 1925—Balance at Credit	$5,665,017.16
March 31st, 1926—Manufacturing Profit	1,707,343.96
" Interest on Investments	197,964.61
	$7,570,325.73

C. B. GORDON } Directors
F. G. DANIELS

Audited and Verified,
P. S. ROSS & SONS,
Chartered Accountants.
Montreal, May 8th, 1926.

HARDWARE TRADE INTERESTED IN PRICES OF "GAS"

Clarkson Report Said to be Not so Favorable as Summary

Calling attention to the controversy being stirred up as to the justification of Canadian oil companies in raising the price of gasoline at this time, and their apparent feeling of security from public scorn because of the report of G. T. Clarkson who was appointed by the Ontario Government to investigate gasoline and oil prices as charged by Canadian companies, Hardware and Metal has secured a copy of the complete Clarkson report in order to provide its readers with information on the subject. It has long been the feeling that certain oil companies in Canada have had too great a control over the distribution of these products; that they have been making huge profits and that the public has suffered as a result, says this paper, which represents the opinion of the retail hardware trade. The following "highspots" of the Clarkson report are given:

Refiners, distributors and dealers expressed the practically unanimous opinion that, generally speaking, there are no means by which a retail customer can protect himself in respect to the quality of an oil sold to him beyond relying upon the fair dealing and honesty of the retail dealer who sells it—the responsibility and reputation of the wholesale dealer or producer, and the satisfaction or dissatisfaction he may meet with in its use. They stated it was well understood in the trade that oils of inferior quality are not infrequently purchased and retailed at prices equal to those of the better and best grades, and that the use of brands and sealed packages has been adopted to minimize and overcome this condition as much as possible.

Returns received in the enquiry showed that the margins obtained on the sale of automobile lubricating oils varied from five per cent. to over 100 per cent. between original cost and wholesale selling prices, and that such wholesale prices were in turn increased in degrees varying from five per cent. in some instances to upwards of 100 per cent. in others on retail sales. With this the case, retail selling prices amounted in some instances to three times the cost paid by the wholesale dealers who supplied them, but for a large part aggregate spreads between such costs ran about 100 per cent. With such wide variations it was difficult, if not impossible, to fix any definite percentages as to the average spread recovered, but the following typical examples will show the graduations in price between original costs and retail selling prices per Imperial gallon, namely:

Example	Cost to Wholesale Distributor	Wholesale Selling Price	Retal Selling Price
No. 1	46c.	97c.	$1.30
2	64	90	1.35
3	40	60	.80
4	60	75	1.25
5	90	95	1.50
6	50	60	1.00
7	40	42	.84
8	55	58	1.00
9	51	61	1.40
10	33	60	1.00

Witnesses examined admitted that profits on the sale of oils were large, but they claimed that considerable portions of the wholesale margins were absorbed by delivery and handling costs, and particularly by avertising expenses in the case of branded oils—added costs were also met where sealed packages were used.

Following are quotations from the Clarkson report:

Gasoline is divided into two classes, viz., "refinery straight run," and "blended."

"Raw blend" gasoline in commercial usage generally include gasoline of poorest class.

While in Europe premium priced gasolines find most favor, on this continent bulk of sale is in lower priced gasoline.

Better general grade of Canadian gasoline compared with U.S. product is necessary owing to colder climate.

In sales from refiners to wholesale dealers in tank cars a spread of as high as six cents per Imperial gal. is ordinarily allowed.

Tank wagons distributors are generally given a margin of between four and five cents per gallon.

If gasoline is imported direct by service stations and curb pumps controlling facilities margins are retained by service station or operators.

DISPOSING OF SOME FALLACIES ABOUT EXCHANGE

(Continued from page 15)

to Canada. What has really happened has been that we have exchanged our current debts for long dated obligations. The debt remains; it has not been paid; it is now owed to investors not traders.

When Dollars Are Not Dollars

Also, in commenting on our financial relations with the United States, it appears to be assumed that the Canadian and American dollars are money in both countries. They are not. Our dollars whether gold or currency, are not money across the line, nor is American currency money in Canada. American gold is, because, as a matter of convenience to the Canadian government and public, it was made legal tender in Canada by the Dominion Parliament. Currency whether issued by a bank or by a government has no legal status a foot beyond the country in which it is issued. Anywhere else it is simply a promise to pay money by a foreign country or corporation, and must be sent to the country of issue for redemption. There its only use is to exchange for goods or services, and if foreign money is invested in Canada it must come to this country in the form of goods or services. When gold is shipped from one country to another it is paid and received, not as coin, but as a commodity by weight. A coin is simply a weight of metal of which the government warrants the finances.

The Foreign Exchanges

Conducted by S. J. ZACKS.

The foreign exchange moved in spectacular fashion this week, sterling rising above par, while French and Belgian francs sank to new low levels during the week. On Wednesday both the Belgian and French francs, after the abrupt break which forced them down to approximately 2¾ cents (about ½ cent down in two weeks) rallied on Wednesday to about $.0295, future movements of these exchanges being very much in balance, with bankers maintaining a short interest. The lire closed firmly at $.0389, recovering sharply after its severe break. There are many who persist in the belief that the lire is selling too high; buying support from the Italian Institute of Exchange has not been renewed yet. Sterling continues strong, with futures selling off, indicating a possible decline. U. S. funds strengthened, closing on Wednesday at 1/32 per cent. discount.

The strike is settled, and it is hoped the worst is over. This artificial buoyancy of sterling, however, still persists. Bankers regard the forces which have sent sterling to above parity as mostly temporary, though they may not have had their full effects yet. Talk of gold moving to London is not regarded with much seriousness. Bankers at New York state that if there is any movement of gold between London and New York this year, it will probably be toward New York.

Reasons for the fresh collapse of the franc are not altogether apparent. Finance minister of France claims that the reasons are not at all confined to the finances of France. On the other hand he claims that the civil war in Poland, social disorder in England, political crisis in Belguim and Italy's abandonment of efforts to support the lire are all causes.

There has been much agitation in France for the employment of Morgan's loan and other defensive measures to save the franc. The French government does not believe the time ready for such support, and points to the losses incurred by Belgium and Italy in the futile attempt to anchor their currencies. Furthermore, it is realized that the Morgan credits are hardly large enough, and other, much more expansive, methods would have to be employed. Negotiations to secure new credits from American bankers have failed. The government realize, however, that unless the franc improves there will be little inducement to the Chamber of Deputies to ratify the American debt agreement, in which case the government might even be supplanted by a socialistic administration.

It is understood that the J. P. Morgan & Co., and Bank of England groups are convinced from recent events that further aid must take the form of joint action in favor of French, Belgian and Italian currencies, but this can only follow drastic internal reforms respecting budget and floating debt.

In the meantime what is going to happen to the French franc? That is uppermost in the minds of all. To-day it rallies; what will it do tomorrow and the day after? Much interest is attached to the flight of capital from France with its cumulative effect downwards. Two years ago the selling was speculative and did not originate in Europe. To-day we are told that people in France who sell in foreign markets are holding their balances abroad. This is a practice which even an embargo cannot control, and is adopted when the home currency is falling. Export trade is supposed to have a stimulating effect on a country's currency, but not so when exporters hold their balances abroad.

Furthermore, importers of French goods, and banks who act for them, who found it profitable to carry balances in France, no longer do so, and are removing those balances. All these factors have a cumulative effect downwards.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
May 13	3-32	1-8	Par	Par
May 14	1-16	5-64	Par	Par
May 15	5-64	3-32	Par	Par
May 17	1-16	3-32	Par	Par
May 18	3-64	3-32	Par	Par
May 19	1-32	1-32	Par	Par

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
May 13	4.85 15/16	3.12½	3.67½
May 14	4.86 3/16	3.05	3.45
May 15	4.86⅝	3.02¼	3.69¾
May 17	4.86 5/16	3.00	3.66½
May 18	4.86 3/16	2.75¼	3.77¾
May 19	4.86⅛	2.93	3.88

FOREIGN EXCHANGE

Par		Close May 12	Close May 19
19.30	Italian	3.98¾	3.89
23.82	German	23.79¼	23.80
32.45	Brazil	14.50	14.80
19.30	Belgium	3.17	2.96
94.85	Japan	47.15	47.05

NATIONAL BANK RESOURCES LESS

WASHINGTON. — The combined resources of the 8,000 reporting national banks aggregated $24,893,665,000 on the date indicated as compared with $25,852,412,000 on Dec. 31, 1925, and $23,832,463,000 on April 6, 1925, according to a statement issued by the Comptroller of the Currency on May 14.

The loans and discounts amounted to $13,301,306,000 and showed a decrease since Dec. 31, 1925, of $233,972,000 but an increase in the year of $832,470,000.

The Return to Gold

By J. BEAUMONT PEASE,
Chairman, Lloyd's Bank, London.

The year 1925 has marked a very distinct step forward on the march to more prosperous and normal times. The removal of the embargo on gold was one of the most momentous events of the year. This has been referred to at all the recent bank meetings and in very similar terms. I do not propose to add much to what already has been said on this subject, except to associate myself with the expressions of congratulation which have been made on all sides that the forebodings entertained in some quarters of the dangers attending such a momentous step have not been realized. Though undoubtedly it had a temporarily depressing effect upon our export trade, the most difficult period seems to have been successfully passed without an unduly high bank rate, and we are reaping the benefit of enhanced credit, a steadier exchange, and lower prices. The working man pays less for his necessaries, the country less for its raw material, and our currency, in the words of the Chancellor of the Exchequer, has been "shackled to realities." It is not for selfish reasons that bankers have advocated the taking of this step. It is frequently said that the interest of those dealing in trade are in conflict on these and allied questions with those dealing in finance, and in the interesting notes of Lord Milner, published after his death, I see a similar statement made. He says, "Just as the productive industry welcomes rising prices, the moneyed interest must always be in favor of falling prices, because they render its own wares—money—more valuable." To my mind this is an entire misapprehension, and it cannot be too frequently insisted that conflict of interest between banks and trade is quite imaginary. If trade is good and industrialists prosper, banks prosper with them, and if it is bad they suffer together. The argument that, as lenders of money, banks desire to see deflation for their own selfish ends is, on examination, false. The argument would appear to be as follows: As lenders of money it pays banks to make loans in a depreciated currency in order that they may be repaid hereafter when deflation has made the currency more valuable. But the argument is based on a misconception of facts. Although it is undoubtedly true that one of the chief functions of banks is to lend money, they are really much more interested as borrowers, the amount they borrow on deposit and current accounts being roughly twice the sum they lend on overdraft. If, therefore, they merely sought their own selfish ends, a process of inflation would suit them best and they would be able to repay to their depositors in depreciated currency the sums which they had received from them when they were of much greater value.

Other nations are following our example of returning to gold, with similar beneficial results. Currencies are being stabilized, budgets balanced, debts settled. International relations have been improved and a much greater sense of security obtained by the Pact of Locarno. Artificial restrictions are being slowly removed. At home we have abolished the embargo on foreign loans, and international trade would be greatly assisted if many further restrictions, which greatly hamper trade between various Continental countries, were removed. Conditions in Europe have certainly made some progress, and I think we are all beginning to realize more clearly the truth that it is to our interests that our neighbors should be rich and prosperous. What good can it do us, who desire all the outlets possible for our trade, if our neighbors are too poor to buy from us?

ANOTHER "INVESTIGATION"

Ottawa Journal.—While the people of Canada continue to demand a national coal policy the King Government goes on giving it—investigations. Three years ago, when the public was clamoring that something be done, Premier King produced a parliamentary committee that sat for months, heard scores of witnesses, and produced voluminous reports. Last week, when T. L. Church demanded government action, the government responded with—another parliamentary committee. The coal question is to be investigated all over again.

The government's defence is that this is a different investigation; that what is to be looked into now is the transportation of coal. But why hasn't the question of transporting coal been looked into during the past three years? What has the government been doing? Further: Does the government seriously think that a parliamentary committee can tell it anything useful about the cost of transporting coal? Why not the Board of Railway Commissioners?

The bald truth is that this government has done nothing about a coal policy, does not intend to do anything about a coal policy, and has not the ability to provide a coal policy. On this question, as on most other questions, it is simply shirking its responsibility, shielding itself behind fake investigations.

Canada will get a coal policy when Canada gets rid of the Mackenzie King-Robert Forke ministry.

Trade Papers an Increasing Force

"TRADE Papers are an increasing force in merchandising practice and in the sale of the manufacturers' product to-day," said William Findlay, of the McKim Advertising Agency, when recently addressing the Stationers' Association of Toronto.

This is due, Mr. Findlay pointed out, to the increasing importance of the retailer in the general scheme of distribution.

"That is why," he continued, "before any consumer advertising is undertaken, the manufacturer needs to be sure that he is receiving all the benefits possible from advertising to the trade which acts as the distributor of his goods."

The class of business papers which serves Canada is, in Mr. Findlay's opinion, distinctly a credit to this country and is second to none.

This was a splendid tribute to the value of Canada's Trade Press, of which the MacLean Business Papers are prominent members. These papers, which are listed below, are all members of the Audit Bureau of Circulation and are always ready to help manufacturers with their merchandising problems.

The MacLean Publishing Company Limited
143-153 University Avenue, Toronto
Publishers of

Canadian Grocer
Hardware and Metal
Dry Goods Review
Men's Wear Review
Power House
Canadian Machinery
Canadian Foundryman
Drug Merchandising
Bookseller and Stationer
Printer and Publisher
Sanitary Engineer
Canadian Automotive Trade

RED LAKE
ONTARIO
9 Claims For Sale
$500 each nett cash
Located by prominent Geologist. Short option considered to reliable broker.
C. E. JOSLYN,
110 Niagara St.,
Winnipeg, Man.

WANTED
Educated, resourceful man, with business experience, and tact, must be between ages 30 and 37. In good position now, but ambitious to improve standing. Unlimited opportunities for success open to the right man in a large life insurance Company. Remuneration, salary and commissions. Apply first by mail to Box 136, this paper. Confidential.

THE BANK OF NOVA SCOTIA

Dividend No. 226

Notice is hereby given that a Dividend of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30, 1926, and that the same will be payable on and after Friday, the second day of July next, at any of the offices of the Bank in Canada.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board.

J. A. McLEOD,
General Manager.
Halifax, N.S., May 13th, 1926.

Belgo Canadian Paper Company Limited

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared for the quarter ending 30th June, 1926.

Dividend No. 12 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the second day of July, 1926, to shareholders of record of the 5th day of June, 1926.

Dividend No. 7 on the Common Stock: One and a half per cent. (1½%) payable on the tenth day of July, 1926, to shareholders of record of the 30th day of June, 1926.

By order of the Board.

A. DEHAUFFE,
Secretary-Treasurer.
Montreal, May 10th, 1926.

Industries
often suffer from unjustifiable public censure because they lack the ability to express themselves properly. A thoughtful presentation of their position carefully prepared oftentimes makes valuable news. Preparing stories for publication requires the trained mind, adept in the reportorial art, only gained through years of arduous service.

We maintain a specialized publicity department for organizations and conventions whose programs contain general public interest.

Consult
Journalist
For Publicity
Box 130, The Financial Post,,
153 University Avenue, Toronto.

The Canadian Bank of Commerce

Dividend No. 157

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1926, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st June next.

The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board,

S. H. LOGAN,
General Manager.
Toronto, 16th April, 1926.

Town of La Salle

Local Improvement Debentures

Tenders will be received by the undersigned, P. N. Monforton, Town Clerk, La Salle, Ont., up to six o'clock p.m., Wednesday, May 26, 1926, for Local Improvement Water Main Debentures, in the amount of $34,788.86, bearing interest at 5½% per annum, payable yearly. Principal to be payable during 20 years on the instalment plan, at the Bank of Montreal, La Salle, Ont. This issue was validated at the last session of the Provincial Legislature. The highest or any tender not necessarily accepted, and delivery to be for the whole of the above issue or none.

For further information write to

P. N. MONFORTON,
Town Clerk,
La Salle, Ont.

Tenders for Debentures Town of Port Hope

TENDERS are hereby invited and will be received until Twelve o'Clock Noon of the 31st day of May, 1926, for the purchase of Debentures of the Corporation of the Town of Port Hope (Port Hope delivery) amounting to $37,500.00. Term—Twenty years, repayable in equal annual instalments of principal and interest. Interest Coupons attached payable half-yearly at the rate of Five per cent. Principal and interest payable at the Bank of Toronto, Port Hope.

The highest or any Tender not necessarily accepted.

For further particulars apply to the undersigned, to whom all Tenders, sealed and endorsed, "Tenders for Debentures," are to be addressed.

J. W. SANDERS,
Town Clerk.
Port Hope, Ont., May 11th, 1926.

Lake of the Woods Milling Company Limited

Dividend Notices

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending May 31st, 1926, has been declared payable on Tuesday, June 1st, 1926, to Shareholders of record at the close of business on Saturday, May 22nd, 1926.

By order of the Board,

M. H. HUTCHISON,
Secretary.

Lake of the Woods Milling Company Limited

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending May 31st, 1926, has been declared payable on Tuesday, June 1st, 1926, to shareholders of record at the close of business on Saturday, May 22nd, 1926.

By order of the Board,

M. H. HUTCHISON,
Secretary.

St. Maurice Valley Corporation

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending June 30th, 1926, being at the rate of 7% per annum on the paid up Preferred Stock of this Corporation, has been declared and that same will be paid on the second day of July, 1926 to Shareholders of record at the close of business June 15th, 1926.

By order of the Board,

A. DEHAUFFE,
Secretary and Treasurer.
Montreal, May 10, 1926.

Notice

Will subscribers kindly note that every circulation representative of the MacLean Publishing Co., who is authorized to collect subscriptions for the trade papers, carries a credential card.

Subscriptions should be paid only to those who can produce such card dated for the current month, with the name of the paper on the back thereof, and should only be paid in exchange for the Company's printed receipt form.

Please note also that receipts for MacLean's Magazine are good only for that publication.

The MacLean Publishing Co.,
143 University Ave.,
Toronto, Ont.

Loan and Trust Review and Outlook

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-32 PUBLICATION OFFICE: TORONTO, MAY 21, 1926 Special Section 17-32

Mortgage Institutions Ready to Aid in Getting Cheaper Loans for West

Have Increasing Funds Available and Appreciate That Borrowers Are Using Much Better Judgment

ASK THAT MORTGAGE STATUS BE RESTORED

Would Welcome Any Constructive Program for Stability — Ready to Take Up Bonds of Any Soundly Organized Co-operative System Such as the Elevator Companies if Sponsored by Men of Crerar Type

CANADA'S mortgage loaning institutions—the trust, loan and insurance companies—have extended mortgage credits to a total of more than $250,000,000. Their increasing assets indicate that they have additional millions available for such loans. Deposits by the public are steadily increasing. This money will be made available on reasonable security at rates which will provide a very modest margin above the costs of administration of their very efficient organizations. The assets of the trust and loan companies alone total nearly $1,400,000,000, as shown in detail in this issue.

The mortgage loaning institutions are anxious to increase their loans, particularly on farm property, and they realize that the big field for such loans is in Western Canada. They realize, also, that the farmers are now making better use of their money than in the boom years and that security is improving as requirements are brought into a more sound relationship with assets and diversified farming is more generally followed. They are quite willing to make rural loans on a basis to return them the same modest profits they make on urban mortgages. The present difference in the rates, they submit from their experience, is more than accounted for by the losses entailed in Western loans, largely because of undermining legislation.

Contrary to the opinion which seems to be generally held as to the attitude of the loaning institutions they would welcome rather than oppose any movement for co-operative farm credits in Western Canada. This, of course, refers to sound, self-reliant co-operation such as the farmers have carried through in their elevator companies, which have borrowed many millions of capital. What the loaning institutions object to is the present undermining legislation in regard to mortgage security and the proposal to continue legislation of this type under the federal farm credits plan of Dr. Tory. In connection with the Tory plan what amounts to a straight bonus is being asked in the shape of loans at rates less than they can be provided by the government at actual cost. And such loans would have the advantage over those of private institutions as regards the prior claims which mortgages must now face as to taxation, etc.

With constantly increasing funds the mortgage companies are only waiting for more favorable conditions in regard to security in order to reduce their rates on farm loans. For years they have shown appreciation of their responsibility to the community and their depositors by their co-operation in improving agricultural conditions and thus aiding borrowers to successfully employ their funds. They would welcome sound co-operative borrowing because, with security thus established on a sound basis, they would be able to loan their money at much more moderate rates with a modest margin of profit assured. They would be quite prepared to compete in the open market in the purchase of securities issued with co-operative backing if sponsored by a farmers' business organization headed by a man of the Crerar type.

What the loaning institutions particularly ask is that the present conditions resulting from discrimination be rectified and the status of the first mortgage be restored.

According to Dr. Tory, interest rates paid by prairie farmers are altogether too high. Everybody agrees with him, and there was singular unanimity on that point long before that scholar made his report on rural credits. "Strictly speaking," says John Appleton, secretary of the Dominion Mortgage and Investments' Association who has given the subject of credit to farmers very considerable attention, "the doctor in his report voiced more particularly the appeal of Alberta for aid in getting out of a hole. This dilemma is referred to by a correspondent in the Lethbridge Herald of April 24, who points out that the provincial government advances for seed grain still outstanding amount to $6,000,000, advances which may be made recoverable under a Dominion Rural Credits scheme if provincial governments are to be given control of loans within their jurisdiction. For over a decade the legislature of Alberta has derogated the security of mortgages with the inevitable result that it is now difficult for the farmers to borrow, and the terms of any loan made are onerous, and the rate of interest and the amount of the loan are in keeping with the statutory conditions imposed. The obvious remedy is reversal of the policy of legislative derogation of mortgage security, but Dr. Tory does not appear to regard this as important. The suggested aid is to take the form of subsidized or state-aided loans to farmers if the press forecasts of the plan have any foundation in fact, and the burden promises to eventually come on the shoulders of Dominion taxpayers."

What Alberta did to make it hard for the borrower to borrow and the lender to lend on farm land security is summarized by Mr. Appleton as follows: "In 1916 the legislature made the covenant in a mortgage useless, not only the mortgages taken in accordance with the statutes up to that year, but those subsequently taken; the collection of mortgage debt was made most difficult and expensive, and, in addition, prior liens or charges against mortgage security were created from time to time.

Difficulty of Collection

"As to the difficulty of collection, let me quote this Alberta case submitted to a conference of farmers and business men at Winnipeg as far back as July 28, 1916:

Mortgage originally for $1,500. Mortgagor died, leaving his son as part beneficiary and executor. The son could see no equity in the estate, and declined to act further as executor, and turned the estate over to the official administrator. The official administrator endeavored to get an order from the judge authorizing the sale of the property at a figure which they could hope to obtain for it and sufficient to cover the mortgage debt. The judge in chambers refused to give any order for sale. Later an appeal was made to the Supreme Court judge, who gave an order that he would authorize a sale at a price not less than $4,800. The official administrator reported that it was absolutely impossible to sell the property at any such figure. The official administrator would have been willing to transfer the property to the mortgagee in settlement of the debt against the estate, but, of course, the judge's order would not permit it. The mortgagee then took foreclosure proceedings. The proceedings were instituted on the 11th December, 1914, and it was not until May 1, 1916, that the company obtained title to the property. The cost of these proceedings amounted to $325.31 and in the meantime the company's claim had mounted up to $2,969.54, and they are likely to meet a loss of from $700 to $1,000.

"Any number of similar cases of more recent date could be furnished, as since 1916 statutory conditions derogatory to mortgage security have been common.

Effect of Prior Charges

To indicate the effect of prior charges, let us scrutinize the present position of a dozen loans as follows:

	Original Loan	Mortg'ee's Claim	Prior Charges	Total Charges
1	$700	$808	$1,330	$2,138
2	1,100	1,594	2,106	3,701
3	800	930	1,203	2,134
4	1,000	1,894	1,462	3,356
5	1,000	1,235	1,483	2,719
6	700	1,423	1,251	2,675
7	1,200	1,342	1,508	2,850
8	1,600	2,414	2,304	4,718
9	1,000	2,060	1,991	4,052
10	800	691	775	1,466
11	800	984	1,097	2,082
12	900	1,217	901	2,118
	$11,600	$16,598	$17,416	$34,014
% of original loan	100.00	143	150	293

It will be noted that prior charges amount to more than the mortgage charges, and it should be remembered that when the mortgages were registered the titles were clear and only taxes were, in effect, in a preferred position. The new charges created subsequent to the taking of the mort-

(Continued on page 28)

Alberta Has Special Problems to Meet

EDMONTON.—That the situation in Alberta, where various measures have been passed establishing priorities in respect of mortgages, is the result of conditions which these measures were passed to deal with rather than of the legislation itself, is the contention of those who have been responsible for this legislation in the present and preceding governments. Desperate situations justify desperate remedies, they submit, and point out that the conditions brought about by succeeding dry years in certain limited areas in the south country were much more severe than in other parts of western Canada.

Those who favor the federal rural credits proposals of Dr. Tory—of which Alberta alone is likely to take advantage if brought into effect—take the stand that, while there is improvement in the situation, the time has not yet arrived when the status of the mortgage can be restored by the withdrawal of the existing prior claims, but that it is desirable that further concessions should be made to those whose experiences have been unfortunate, and cheap money provided by the aid of public credit.

As in Denmark

Much has been said about the favorable rates for farm loans in Denmark. Let the farmers of Western Canada organize as they have in Denmark and offer comparable security, say the mortgage loaning companies, and they will find capital available and ready on a basis just as favorable as that in Denmark or in any other country. The trust, loan and insurance companies will be ready to compete in the open market for bonds backed co-operatively by the farmers or to offer their funds directly at competitive rates so long as the discriminatory features of existing legislation are wiped out, and stability of security restored.

CO-OPERATION IN MARKETING NOW HELPING IN B.C.

Conditions in Regard to Fruit Land Mortgages Are Better

By O. S. P. AITKENS,
Manager, Okanagan Loan & Investment Trust Company.

The mortgage situation in the Okanagan Valley has improved considerably over previous years but is not yet in a very healthy condition. The formation of a co-operative association to pack and sell the fruit crop of the Valley has made a decided improvement in marketing conditions, but they are still far from being normal. The independent shippers have been paying considerably higher prices for their fruit and it is a well known fact that the co-operative through having to handle larger crops are handicapped in the selling of them since the domestic market will not absorb the Valley's production and the surplus has to be exported to Great Britain and other countries, and this export market has not yielded as good a price as the domestic market.

In spite of this there appears to be some inefficiency in the co-operative management. This inefficiency is, in my opinion, due to the fact that most of the directors of the co-operative are farmers who have very little business experience, in many cases never having been in business in their lives.

In other lines of agriculture the Valley is progressing successfully and the canning and other industrial activities are doing well. There is a general feeling of optimism throughout the Valley and prospects for 1926 crop are far greater than last year but the crux of the situation in my opinion, purely lies in the marketing ability of the various houses and the results of the year will lie mainly in the efficiency or inefficiency of the Co-operative Association to market its growers' produce.

LOAN COMPANIES CHANGE TO TRUST

Under New Charters Are Enabled to Increase Their Savings Deposits

In recent years conditions have not been favorable to the increase of sterling debentures, which for so many years have been an important source of British funds for the Canadian mortgage loan companies. On the other hand, larger funds have been available in Canada for currency debentures, and deposits by the public have been growing as they have in the case of the banks.

The charters of the loan companies provide that deposits taken from the public shall bear a ratio to total assets. Overcoming this limitation, a number of the companies have become affiliated with trust companies, which in some cases have been established as subsidiaries. Other companies have changed their charters and are now operating as loan companies. These include the Victoria Trust and Savings Co., the Waterloo Trust and Savings Co., and the Sherbrooke Trust Co. Other companies changing their charter status are the Grey and Bruce Loan Co., and the Owen Sound Loan and Savings Co., which now operate as the Grey and Bruce Trust and Savings Co., and the British Mortgage Loan Co., of Stratford, now operating as the British Mortgage and Trust Corporation of Ontario.

The following summary shows the growth of deposits of the loan companies in recent years, and their debentures outstanding; however, it is not possible to divide the latter as between currency and sterling debentures:

Year	Deposits	Debentures
1917	$26,862,385	$112,168,162
1918	24,754,596	110,761,309
1919	28,136,840	114,502,393
1920	29,091,118	109,476,538
1921	29,450,748	111,095,388
1922	31,198,654	116,081,157
1923	27,762,326	125,974,413
1924	28,585,918	110,187,093
1925	32,926,325	114,456,100

Consider These Figures

Less than fifty years ago the prairie provinces were purchased for Canada from the Hudson's Bay Company for £300,000, or $1,500,000. It has been estimated that to-day these provinces are worth $8,000,000,000.

These figures are worth considering when doubts are raised as to the economic stability of Western Canada.

The prairie provinces have a population of about 2,000,000 people. They created wealth last year—largely in agricultural products—to the extent of $1,150,000,000.

What reason can there be to doubt the future of a country with such a record, such capacity for production, and such potentialities for development?

In the West there are loans which have been made on an unsound basis, there are others in which the security has been impaired by legislation, but after all, the total of all the borrowings from banks, from mortgage companies and other business institutions, and the annual interest payments are small in relation to the total wealth and earning power of the country. There are losses which will have to be faced, there are burdens to carry which will mean hard work, and in some cases may involve privation, but in considering the ultimate future of Western Canada—or Canada as a whole for that matter—the record of what has been accomplished leaves little room for pessimism.

THE SITUATION AND OUTLOOK IN MORTGAGE LOANING FIELD

WITH the exception of the Maritime provinces, and particularly Nova Scotia, where the recovery from the general depression has been retarded by industrial difficulties, the situation throughout Canada affecting the mortgage loaning institutions shows very general improvement, particularly marked in the prairie provinces of Manitoba and Saskatchewan. The improvement is seen in the payments of interest arrears and in the discharge of principal obligations. Prospects for disposing of lands which have been foreclosed are brighter. Values are being restored and rentals are increasing. So far as new loans are concerned, there is no very great change. There is no great rush of immigration for the opening up of additional agricultural areas. Prospects are improving in this respect, however, as successful farming operations are more definitely assured and the companies have plenty of funds to take care of any new demands for loans when backed by reasonable security.

With this improvement in the situation, however, there has been no great betterment as regards profits. The margin between interest rates paid and interest received is small and allows little from which reserves can be built up against losses sustained as the result of recurrent drought or because of legislation which has undermined mortgage security.

The return of a more prosperous state of affairs in Western Canada and the prospect for an era of better times there is very definitely indicated. In 1923 there was an unusually large crop over a great portion of the prairie provinces but prices were so low that the return to the farmer was far from satisfactory. The 1924 and 1925 crops, however, were very profitable and enabled the farmers to materially reduce their obligations. Farm collections for the past two years have been excellent. Many farmers who had become discouraged are now making increased effort to pay off their liabilities and those who have for one reason or another moved into the towns and cities are now again taking up land. At the same time the growing interest being taken in Canada by the outside world has already meant some increase in immigration and this increase promises to be continued. More population will mean the cultivation of more land and an expanding home market for Western Canada—all of which should improve conditions.

Then again the farmers are going in more and more for diversified farming which will help to stabilize the industry. In the West the farmers have in the past depended too much on wheat. If the year was good and prices right the farmers did well, otherwise they had great difficulty in carrying on until the following season. With diversified farming if one crop fails the farmers have something else to fall back upon.

Then in relation to general prosperity in the West there are the mining and oil developments in Manitoba and Alberta which are playing a part. These promise to bring capital with them; all this will increase the local market for farm produce and provide another factor in making farming more prosperous. However, there is no desire on the part of the mortgage companies to see an improvement in the situation reflected in a boom in real estate values; experience has taught that the inevitable reaction and depression of a boom has anything but a good effect on conditions in general.

Some Special Problems

Particular problems have risen in connection with mortgage loans in parts of Alberta. As to the situation at Lethbridge, G. W. Parsons, manager of the British Canadian Trust Co., of Lethbridge, writes:

In connection with the mortgage situation in this part of Canada there has been a decided improvement, and a large amount was paid both on account of arrears of interest and other accumulated charges. In this particular locality we were very much concerned in connection with the matter of the Lethbridge northern irrigation district tax enforcement proceedings and its relation to mortgage companies and other persons holding security. This matter has been cleared to a very large extent, and, by the efforts expended through the colonization manager, a great proportion of the district has received settlers who avail themselves of the opportunity of registering upon home place and thus receive the benefit of the postponed rates as set out by the government last year. By this method, and the co-operation of the colonization department with the mortgage companies, what at one time looked a hopeless situation today shows promise of good results to all parties concerned. In the more favored portion of the province to the immediate south and southwest of this city, mortgage conditions have always been of the very best, and that condition still prevails.

Helping Fruit Growers

In British Columbia the mortgage loan situation in the fruit growing districts has been improved by better marketing organization. In the Okanagan Valley, for instance, a co-operative association has been formed to pack and sell the fruit of the valley and a decided improvement in marketing conditions has resulted. However, there is still considerable room for improvement in this connection and a full measure of prosperity will not be enjoyed by the fruit industry until still more efficient marketing machinery is perfected.

In Nova Scotia the field for good loans has been limited. In addition to the general economic depression the tie-up of the mines in the eastern part of the province with declining values in real estate has made mortgage collections very difficult. In the agricultural sections of the province conditions have been better and practically normal. There are some signs of improvement but nothing to indicate a material change in the outlook for the mortgage loaning institutions.

Plenty of Money Available; Competition for Loans Keen

WHILE the flow of British funds for investment in Canadian mortgages through the loan companies has not been large, yet this is not due to any lack of available funds in Great Britain. Loan companies report an abundance of money to take care of the mortgage offering.

Some indication of the situation in this country is seen in the relation between the banks' savings deposits and the current loans. Since 1923 the savings deposits have shown a steady increase, whilst the current loans have steadily fallen, thus the banks have been forced to purchase bonds. Therefore, the amount of funds available from other investors for the purchase of mortgages has increased also, due to the absorption of bonds by the banks.

This has reduced the current yield not only of bonds, but of mortgages. Interest rates in the large eastern cities on first-class city property are around 6½ per cent.; but there is keen competition on all sides for such offerings. Consequently, many loans are being made at rates shading below this figure. The competition for mortgages on property in the East has been considerably augmented through the curtailed expansion in the West.

With the competition between the various loaning interests for mortgages, some of the companies are now lending on property on which the building is in course of erection.

These are, then, some of the reasons why the flow of mortgage funds from Great Britain is slow. Before the war there was a considerable flow of money from France for investment in Canadian mortgages, but to-day no funds come from Europe, due to the exchange market.

Mortgage Conditions Are Better in Quebec

Referring to mortgage loaning conditions in the Province of Quebec and more particularly in the territory south of the St. Lawrence, T. M. Robins, secretary treasurer of the Sherbrooke Trust Co., reports considerable improvement. Interest payments are being met with fair to good promptness, building is going on to greater extent than last year and industries generally, with the exception of the lumber and allied manufactories, appear to have more orders.

U.S. Easy Credit Getting Farmers Into Difficulty

Canada Might Well Hesitate in View of This Evidence

CO-OPERATION SOUND

Canadian Farmers Could Get Cheap Money on Own Responsibility by Providing Joint Security

FROM all appearances, at the time of writing, the measure of rural credits favored by the Progressive Party in the House of Commons, and which, through the strategic position they occupy, is likely to be enacted, will follow the lines of the Farm Loans Board in the United States. Whatever the actual results of the operation of that system in the United States, it is assumed that the plan has been a success. Information procurable as to the operations of that board comes through its own statements. From its inception the board has been assisted by a very powerful propaganda fostered by the Farm Loans Board itself and by the political party which depended upon it as a vote-getting factor. It was successful in that respect, and no doubt that kind of success has appealed strongly to similar factions in Canada. They have assiduously spread reports as to the results achieved in the way of reduction of interest rates.

Much of this kind of information was supplied to the Special Committee on Agricultural Conditions, appointed by the Canadian House of Commons, and which sat in 1923. Presumably the justification for the measure to be introduced into the House of Commons is to be found in the evidence submitted to that Special Committee on Agricultural Conditions, supplemented by the reports of Dr. Tory which followed. The statements made with regard to the United States system did not appeal to some of the practical members of the committee or to the government, and Dr. Tory was selected to make further enquiry as to it. Dr. Tory did not touch upon the practical business side of the United States plan or any other plan. What he did was to make an appeal for government assistance to agriculturists of the Prairie Provinces on the ground that they were very much handicapped and required help in the way of public assistance. Mortgage company officials contend that he failed to get at the roots of mortgage credit systems either in the United States or elsewhere. He might, for instance, they say, have elucidated for the benefit of the government and the farmers, particularly in Alberta, that the Danish system was one which depended absolutely upon the individual farmer producer. It is truly a co-operative system and in principle it is more akin to the present mortgage lending system under the loan company acts in Canada than it is to the Federal Farm Loans system in the United States.

Real Co-operative Efforts

In Canada the so-called joint stock companies ask the public to set aside their savings to be loaned to farmer borrowers, and the joint stock element merely represents the willingness of a certain number who have money or have saved money to stake a certain amount of money as stock guaranteeing security to depositors and debenture holders when their money is loaned to farmers. In precisely that

(Continued on page 25)

Paternalism is Not in Favor in Quebec

MONTREAL. — It is anticipated that the province of Quebec will be little interested in the proposed federal scheme of rural credits. One of the basic conditions of the federal plan is that such legislation will be largely of an enabling character and will thus only be put into effect where it is adopted and carried out by the provincial legislatures.

The federal government's housing scheme was tried out, but met with little success in Quebec. One of the results of the failure of this scheme in that province was the declaration of Premier Taschereau that his government was not much in favor of any paternalistic scheme of a like nature.

Quebec is making excellent progress—both agriculturally and industrially, and the general opinion which prevails there is that government rural credits are not needed and will find little sponsorship anywhere within the limits of the province.

At the present time loans are being made on Quebec farms at around 7 per cent. Furthermore, the agriculturist of that province can borrow this money for ten, fifteen, or twenty years. Usually, the loan companies are glad to obtain such long-term loans—provided, of course, that a small amount of principal is repaid annually.

Farms in Quebec provide excellent security, and there seems no need in that province for any rural credit scheme such as is being sponsored by the federal government.

Trust Companies Co-Operate In Modern Life Insurance

The Dead Hand Thus Enabled to Provide for the Living With Intelligence in Relation to Conditions and Their Needs

By **ROBERT BEATTIE**
National Trust Company

THE life insurance companies of Canada have been a very powerful influence in inducing people to build up resources, through insurance, for the support of their families and others dependent upon them. They have a strong case to present and they have presented it strongly, taking all available means to bring it before those who have need of their services. Accordingly their efforts have been very successful and are more so year by year.

The trust company is the modern agency for safeguarding property of all kinds; and the insurance companies have been prompt to realize the facilities it offers to their clients. In fact by co-operation the trust company and the insurance company are able to furnish to the policyholder and the trust company client specialized service of a kind and to an extent which is not always understood even by those who have had relations with both kinds of company. A glance at some of the features of this service may be interesting to those who have not been in continuous touch with recent developments in the trust and life insurance field. The most important developments come under the general heading of Life Insurance Trusts.

Safeguarding Insurance

The necessity for insurance arises from the fact that not all members of most families are supporters of the family through the earning of money, and that generally when the head of a family "passes on" the earning power of the family is either curtailed or ceases altogether. Life insurance secures a source of support for those not able or trained to support themselves, or to manage property. Yet, because the very lack of experience in such people is what led to the provision of the insurance for their protection, there arises the further need of protection and control of the funds the insurance provides. To entrust sums of ready cash to women untrained in business, to minors who have had no opportunity to become trained in it, or to invalids and others incapacitated is manifestly incomplete protection.

The life insurance companies do, of course, provide various kinds of payment policies, by which they agree to pay a stipulated amount periodically to the beneficiaries as provided by the contract. This, like the lump payment, is open to objections. The lump payment, as is shown by the record of bad investments by uninformed people under the influence of over-"intensive" salesmanship, is too dangerous except in special situations. The monthly payment plan, on the other hand, is too rigid. It does not provide for such emergencies as sudden illness, disablement or other contingencies which make special demands on one's resources. Because the insurance company acts under contract, and not as trustee, it cannot make more flexible arrangement. It is not a trustee; it cannot exercise discretion.

The New Trust Policy

This situation has made the life insurance managements and salesforces among the most responsive to the efforts of the trust companies to induce the public to safeguard their resources through the making of wills, the establishment of trusts, and other available means, in order that property may be used efficiently for the support and protection of those it is intended to benefit. The life underwriters saw that through trust company service they would be able to meet the last objection which could be urged against the system of life insurance. They began drawing the attention of their clients to the ways in which a trust company could supplement their own service. Trust companies on their side began in their advertising to tell policyholders to "insure" their "insurance." The Life Insurance Trust was the way.

For the great majority of people in Canada the simplest form of life insurance is the one found most suitable. The first step in creating such a trust is to consult with the trust company as to one's individual requirements and the best method is usually to be found to be making of a will appointing a trust company as executor. The will is drawn by the client's solicitor. The insurance policies which the client holds are then usually made payable to his estate; and the will generally provides that, instead of distributing, the trust company will hold in trust the entire estate, including the proceeds of the insurance policies, managing it as directed by will, and paying over the income according to instructions. By such an arrangement it is possible to provide skilled and safe management for the estate, with regularity of income; and at the same time to leave to the discretion of an experienced business organization the meeting of unforeseen conditions as these arise. It is possible to make certain actions conditional on certain events and to provide for an alternative course should the events not take place. For example, one provision might apply to a daughter in case of her marriage, and an alternative be provided should she not marry; or one provision might apply to a son in case he should decide to go to the university, and an alternative be provided should he not do so; and so on, according to the needs of the particular set of beneficiaries.

In centres where wealth has accumulated another kind of life insurance trust is winning favor although, depending on greater resources, it is naturally less frequent than the simpler kind. This is called the Funded Life Insurance Trust. A Funded Life Insurance Trust is created when a trust company client leaves with the company securities or other income producing property under a trust agreement providing that it keep up the premiums on life insurance with the income. The agreement provides also either that at death the insurance is to be paid to the trust company, invested by it, and the income used for specified purposes, or that it is to be paid over to the estate. Needless to say, the creator of such a trust is usually a man convinced of the value of trust company facilities, and therefore one who has appointed a trust company executor. So that, if the latter provision is the one made, the proceeds of the insurance are combined with the rest of the estate under a single skilled management for the benefit of the client's family. This form of trust has evidently the effect of greatly increasing the estate of the client. First it means that a certain part of his property, through being placed in trust, is removed from the risks of his business, or from current expenditure, and the income from it devoted to protection by insurance. Secondly, the estate at his death consists not only of the securities included in the trust, and of his other assets, but also of the proceeds of the policies maintained by those securities. There is little doubt in the minds of trust company officers that this form of trust will become more frequent with the growth of the country in population and wealth.

The result of the growing tendency to trustee life insurance is to remove from the list of prospects for salesmen of speculative securities widows and others who should not be among the purchasers. Various disturbing estimates have been made of the percentage of life insurance proceeds lost by beneficiaries in bad investments. These are difficult to trace back to actual tabulations, and no doubt they include moneys paid out of necessity for the support of beneficiaries. But after all allowances have been made which should be made, authorities are agreed that much larger amounts are lost in speculative securities than should be; and that of these amounts a very large proportion indeed comes from the very class of people who should not speculate, whether consciously or unconsciously, those without business training and with limited resources. The facilities of trusteeship offered by trust companies generally, and through the life insurance trust in particular, may be expected to work steadily, as years go on, toward the correction of these evils in investment conditions.

Salesmen Now Sell Services of the Big Trust Companies

SOME of the larger Canadian trust companies have put salesmen on the road soliciting business for their organizations. These men visit wealthy prospects and point out to them the advantages of putting their affairs in the hands of trust companies and of arranging proper wills with trust companies named as executors.

Apparently, any doubt that may formerly have been held as to the ethics of this practice has been dispelled and the trust consider personal solicitation of trust company business as in the same class with selling bonds or life insurance services, rather than in the class with legal, engineering, architectural and similar professional work.

In the United States, trust companies have recently decided in favor of personal solicitation of business. Trust officers are agreed almost unanimously that personal solicitation of trust services should not be viewed as unethical. The opinion is held that if it is ethical to advertise by mail and in the newspapers the advantage of trust service, it is equally ethical to develop the business through the services of personal solicitation. The question as to the extent a trust company should go in its endeavor to develop trust business has always hinged on the question of ethical limitations. The trust department and trust companies and their functions, unlike other services of the banks, have in many cases held aloof from the application of modern methods of salesmenship in an endeavor to increase their activities.

In discussions as well as private comments attention is called to the attitude a generation or two ago, before the companies had adopted more agressive commercial methods in seeking business; and opinion is expressed among officers that the trust company service is fully as legitimate a field for active and aggressive selling as any other department connected with a bank.

United States trust companies and banks possessing trust departments are to-day offering some of the best examples of financial newspaper advertising in existence, telling their stories with the human interest appeal that is seldom excelled in any field, and up to the present time the weak link in the proper merchandising of the trust services has been the actual selling to the prospective client. This weak link will, it is predicted, be eliminated in the next year or two in practically all important corporate fiduciaries.

Probably the question of ethics in connection with the solicitation of trust business has been the greatest impediment to progress in the field as it has created a doubt in the minds of trust officers as to just what the boundaries of these so-called ethical limitations may be. The older conservatism, which has restrained trust officers, is gradually breaking down so that to-day many prominent trust companies are actually in possession of cost accounting records which demonstrate the practical advantages of the personal solicitation method. Incidents have been cited where a cost of personal solicitation would be as low as 3.8 per cent. of the value of the increased business to the company getting it. One officer has cited an experience in one of the smaller companies where a $5,000 appropriation covering advertising in two papers, with compensation to a solicitor for a period of 9 months, resulted in the company getting administration under 55 wills.

It is quite evident that American trust officers are still feeling their way in the matter of new business developments. Among other points in regard to which there seems to be much doubt is the advisability of using women solicitors and the question where such solicitors are used as to the restrictions that should be placed on their services. The thought was expressed at a recent conference in New York that it would be preferable in a majority of cases to train an inside man for outside selling, but it was the general consensus of opinion that often it would be necessary to bring new men into the trust company or trust division and train them for a period of months and afterwards place them in the field as solicitors.

It was generally felt that the use of letter mail, or what is known as direct mail solicitations, is a very valuable means of developing the interest of possible clients, but it was acknowledged that without solicitation the full value of the use of advertising in any form could not be realized.

There seemed to be a general feeling that the work of developing business should begin with stockholders and others who have close business relations with the company, and that by interesting them as well as creating the highest degrees of enthusiasm and the spirit of co-operation among officers and the employees much could be done to create new business outside all the "immediate family" of the trust companies.

THE
VICTORIA TRUST AND SAVINGS
COMPANY
Lindsay Ontario

Capital subscribed and fully paid $ 800,000.00
Reserve fund and undivided profits 594,418.80
Total assets 5,218,820.54

Statement of Growth of Assets
1921..............................$3,444,921
1922.............................. 3,721,761
1923.............................. 4,157,433
1924.............................. 4,578,244
1925.............................. 5,218,820

W. FLAVELLE, President C. E. WEEKS, Manager

THE C.P.T.Co.

A Service extending from Coast to Coast

EDMONTON
VANCOUVER
REGINA
WINNIPEG
TORONTO
ST. JOHN
HALIFAX
WOODSTOCK

The Canada Permanent Trust Company through its many branches, all over Canada, is able to manage your property and securities, collect your rentals and income from investments, pay your insurance and taxes, and remit to you your revenue. Our moderate charges are more than repaid you by the saving of your valuable time, and the economy and efficiency of our management.

If you wish to leave in our hands the choosing of your investments, you will find that our intimate knowledge of business conditions all over Canada, our conservatism, and care for your interests—will insure you both safety and profit in the employment of your money.

Directors:
W. G. Gooderham, *President.*
E. R. C. Clarkson, *Vice-President.*
George H. Smith, *General Manager.*
Col. A. E. Gooderham
F. Gordon Osler
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William Stone
George W. Allan, K. C. *Winnipeg, Man.*
A. B. Campbell, W.S. *Edinburgh, Scotland.*
N. Mackenzie, K. C. *Regina, Sask.*

THE CANADA PERMANENT TRUST Co.
Paid-up Capital One Million Dollars
HEAD OFFICE: CANADA PERMANENT BUILDING, TORONTO. 19

Saskatchewan General Trusts Corporation
HEAD OFFICE: REGINA, SASK.
Subscribed Capital - - $1,000,000.00.
EXECUTOR ADMINISTRATOR ASSIGNEE TRUSTEE
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Head Office: BRANDON, MAN.
JOHN R. LITTLE, Managing Director
Branch Office: Swift Current, Sask.

Steady Growth
The following table shows the increase in money from the public left with "The Waterloo Trust" at 4 and 5% interest since the company's inception in 1913:—

Dec. 31st
1913 - $ 133,325.57
1915 - 383,161.65
1917 - 904,727.71
1919 - 1,448,714.12
1921 - 1,879,699.44
1923 - 2,354,172.39
1925 - 3,644,290.33

Capital and Reserve $965,000.00
We Operate Under Strict Government Supervision
The Waterloo Trust and Savings Company
THOS. HILLIARD, *President*
E. F. SEAGRAM, *1st Vice President*
FORD S. KUMPF, *2nd Vice President*
P. V. WILSON, *Managing Director*
Offices:
Waterloo Kitchener Galt

THE CANADA TRUST COMPANY
"Faithful, Permanent and Impartial."
(Under the control and management of)
The Huron & Erie MORTGAGE CORPORATION
"Older than the Dominion of Canada."

Paid-up Capital and Reserve Funds:
The Huron & Erie $6,850,000
Canada Trust Company 1,750,000

Departments:
Estates — Safe Deposit Vaults
Guaranteed Mortgage Certificates
Guaranteed Passbook Certificates
Debentures — Savings Deposits
Mortgage Loans

Head Offices - London, Canada
Branches:
14 King St. East, Toronto
London (four), Chatham, St. Thomas, Windsor, Winnipeg, Regina, Edmonton, Victoria.
T. G. MEREDITH, K.C., Chairman of the Board
HUME CRONYN, President
MORLEY AYLSWORTH, General Manager

More Unsound Legislation is Projected at Washington

Noted Economist Sees in the Tincher Agricultural Bill Essentially the Same Dangers as in Other Radical Bills Before Congress

By **BENJAMIN M. ANDERSON, Jr., Ph.D.,**

Economist of the Chase National Bank of New York, before Georgia Bankers Association, May 19, 1926.

THE trained farmer is himself our greatest agricultural asset. Under ordinary conditions, the man who makes a financial failure on a farm while most of his neighbors are getting along pretty well is apt to be a misfit or a man of subnormal ability. When, however, great agricultural communities are under pressure due to such great disturbances as have affected American agriculture in the past six years, the fact of financial difficulty is no evidence at all of inferiority, and the financial difficulties need to be handled in such a way that the farming community will not lose the skill and enterprise and knowledge of the particular farmers who happen to be hardest hit. Taking the country as a whole, the position of the farmer is manageable where he has not paid too much for his land or where, having paid too much for his land, he has not done it with borrowed money. But there are many communities where the high prices of the war period and the post-war boom were capitalized into very high land values and where mortgages in a good many individual cases equal or exceed the actual value of the land, based on present earning power. There are a good many honest, competent farmers in the United States, who, through errors in judgment in 1919 and 1920, have tied themselves up with fixed charges which it is difficult, even when not impossible, for them to meet. What is to be done about these cases?

The holders of mortgages have, of course, a legal right to foreclose if interest is not met and if amortization payments are not made. If at a cash foreclosure sale the land will realize the full value of the mortgage, no criticism can attach to the holder of the mortgage who forecloses. But many cases arise where ready markets do not exist and a not infrequent occasion arises where practically the only market, without a suicidal sacrifice of values, is to be found in the holder of the first mortgage himself. This is even more common when the holder of a second mortgage forecloses. If he forecloses and takes over the land, what is he going to do with it? If the competent farmer, with his family, familar with the farm and its possibilities, used to working it, adjusted to it, cannot make it pay at the mortgage valuation, who can? Who is likely to be able to do so well with it as the farmer who is being *sold out?* Creditors do very well to consider in cases like this whether a readjustment of the fixed charges which will leave the trained farmer in possession of the land with a debt burden which he can carry, and with something of an equity which gives him an incentive to put forth his best efforts, may not prove the most profitable line of procedure.

A policy of this kind has long been pursued in connection with large corporate reorganizations, particully with railroad reorganizations, when great corporations have been unable to meet fixed charges. Committees, representing the various parties in interest, have worked out a new financial plan, usually with, though sometimes without, the direction of a receiver appointed by the bankruptcy court. Not infrequently the receiver appointed by the court will be a particularly competent official of the corporation who has the confidence of the parties in interest. During the crisis of 1920-21, informal creditors' committees, with court procedure, worked out many adjustments of this kind with embarrassed businesses. It has been widely recognized that it is better to keep alive a going concern than to break up the organization, lose the good will, and force the physical assets on the market.

This is quite as true of agriculture as of any other industry. A farm is not a mere piece of land with buildings. A farm is a growing, living thing, and the farmer is the brain centre of it. It is an economic waste to break it up if it can be avoided.

The banker in the rural community is often in a position to bring about adjustments of this kind. There are good bankers in many rural communities who regularly try to do it. A program of this sort involves bringing together as far as possible the various creditors, those holding mortgages and those with unsecured debts, in the effort to make an equitable adjustment. The adjustment, to be effective, must be one which leaves the farmer with something of an equity and with a margin of income which will justify further credit extensions by those who are to supply him with the things he needs for working operations through the period when he is making his crop.

Even in the case where the holder of the first mortgage, foreclosing within his rights, is able to sell the land at cash sale for the full face of the mortgage and dispossess the farmer, the community, and particularly the local banker, will do well to consider whether some adjustment may not be made whereby the competent farmer can be saved for the community and placed in charge of other land which he will know how to handle, on terms which will make it possible for him to get ahead once more. The community as a whole may well be the gainer thereby. It is not a question of charity to the dispossessed farmer. It is a matter of the community's economic advantage.

The Tincher Bill

The Tincher Agricultural Bill, which at first blush appeared to be a measure sharply differentiated from the radical agricultural bills now pending before Congress, turns out, upon careful examination, to embody essentially the same principles and to have essentially the same dangers. The measure provides for a loan of $100,000,000 to be made by the government, to be used under the supervision of a "Federal Farm Advisory Council" and a "Farm Marketing Commission" "to aid in the disposition of surpluses of such (agricultural) commodities and for other purposes." These funds are to be used apparently by the agricultural co-operatives in dealing with the farm surplus problem. The question at once arises as to the purpose for which agricultural co-operatives would need extraordinary loans of this character, and in particular why they should need to borrow money on twenty year terms from the government. If funds are to be used simply in the orderly marketing of crops, then no emergency credits are needed. Banks to-day are financing the orderly marketing of crops by the co-operatives. Banks will not finance the holding of crops, but they will finance their orderly marketing through a season. The Intermediate Credit Banks, moreover, stand ready to supply funds to co-operatives for orderly marketing. Both the commercial banks and the Intermediate Credit Banks, however, work on business lines, expect to get their money back, and, therefore, are unwilling to finance projects for the indefinite holding of crops out of the market in order that the reduced supply left in the market may bring higher prices. The only very obvious purpose, therefore, which could be served by the extraordinary credits provided by the Tincher Bill would be uneconomic holding rather than orderly marketing.

What would be the economic results of such a holding project? Experience as well as theory gives a plain answer on this point. The first result is higher prices. The second result is increased planting and increased crops due to the higher prices. The third result is a larger surplus, and the necessity of even larger additions to the holdings. The fourth result is a collapse in the holding machinery which may be staved off temporarily by an appeal to the government for still larger amounts of money. The amounts which must be held out of the market constantly increase, and ultimate failure is inevitable.

The provisions of the Tincher Bill are so loosely and vaguely drawn, and the powers granted under it are so broad, that an alternative possibility exists. The surpluses may be handled in the manner provided by the old McNary-Haugen Bill (of 1924), i.e., dumped abroad, and the losses may be made up by an "equalization fee." The phrase "equalization fee"does not appear in the bill, but Section 6, paragraph 4-a, gives power to "any association receiving a loan" to "provide for the payment thereof by imposing a charge in a manner approved by the commission, on the commodity marketed." This language is apparently broad enough to include equalization fees of the sort contemplated by the other bills. The very breadth and vagueness of the language of the Tincher Bill increase rather than lessen the dangers of such a measure.

Market Record Listed Trust and Loan Stocks

	Par Value	Div. Rate	1925 High	1925 Low	1926 to May 17 High	1926 to May 17 Low	Last Sale	Yield
Canada Landed	$50 pd.	10+1	97	80	100	95	95	5.78
Can. Permanent	100	12	208	190	208½	202½	208	5.76
Colonial Invest. ...	10	6	7¾	4	6½	4	6	...
Hamilton Provident .	100	10	156	154	157	157	157	6.36
Huron & Erie	100	7+½	130	125	132½	127½	132½	5.66
Landed Banking ...	100	9	146	142	150	150	150	6.00
Montreal Loan	25	12+1	50	45	50	50	50	6.50
National Trust	100	12	228	210	245	235	240	5.00
Ontario Loan	50	11	105	99	106	103½	104	5.28
Real Estate Loan ...	100	7	88½	85	85	85	85	8.23
Toronto Gen. Trusts.	100	12	221	208	225	220	221	5.42
Toronto Mortgage ...	50	10+1	93	87¾	99	93½	99	5.55
Union Trust	100	7	90	85⅛	101	98	98	7.14

PRIVATE LOANS NOT ATTRACTIVE FOR QUEBECKERS

Law Covering Forced Sale Raises Difficulties for Individuals

The law in the province of Quebec covering the forced sale of a mortgaged property varies somewhat from that which prevails in other provinces and renders the purchase of mortgages by the private individual less attractive than in other provinces.

For instance, presuming the mortgagor neglects to pay his taxes, or fails to meet some of his debts, it is possible that his mortgaged property might be seized and sold. This is, of course, a practice which prevails elsewhere, but in Quebec, the property is auctioned off at a sale by the sheriff. Unless the mortgagee or his representative be present at such a sale, others might purchase the property, and the mortgagee's equity would be lost.

Thus, it is possible that the owner of a property might be sued for debt and the land sold without the knowledge of the mortgagee. It is possible to make arrangements with the registry offices whereby the mortgagee may receive a notice calling his attention to the fact the property in which he is interested is about to be sold by the sheriff; of course all such sales are also advertised in the official Quebec Gazette, but the necessary precautions are such that the mortgages are not so attractive to the private investor as they are, say, in Ontario.

Have to Raise Funds

At such a sheriff's sale, the mortgagee must be prepared to put up a bond for the amount of his mortgage, and, in addition, to pay out in cash other sums for prior claims, such as court costs or taxes.

Thus there are many investors who feel that it might be inconvenient for them to take care of prior charges in the event of a sale by the sheriff and, therefore, do not purchase mortgages in Quebec. On the other hand, the present arrangement works out satisfactorily as far as the trust and loan companies, or individuals who make a practice of handling mortgages, are concerned. In the trust and loan companies it is simple a matter of routine to check up all the sales by the sheriff as they are published in the official gazette, and thus the company, or the representatives of the individual is able to make sure that no property is sold in which their principal is interested.

VICTORIA LOAN INCREASES ASSETS

Although conditions generally have not been favorable to increasing farm mortgage loans in Ontario, the Victoria Trust and Savings Company, Lindsay, reports favorable business for the first four months of 1926. An increase in total assets of some $250,000, it is understood, has been shown for that period, and funds have been satisfactorily placed.

How Our Depositors are Protected

(From Our Annual Statement, December 31st, 1925)

OUR RESOURCES:

CASH on hand and in Banks	$ 339,828.33
FIRST MORTGAGES on improved city and farm property	1,035,032.72
REAL ESTATE—Company's Office Premises	250,000.00
SECURITIES consisting of Dominion and Provincial Government, Municipal and Corporation Bonds and Stocks at figures well within their present market values	5,173,611.83
LOANS repayable on demand and amply secured by Bonds and Stocks	1,197,303.83
CAPITAL subscribed and subject to call.....	750,000.00
TOTAL RESOURCES.....	$8,745,776.71

OUR OBLIGATIONS:

To Depositors	$2,704,973.94	
To Debentureholders.........	1,521,242.59	
		4,226,216.53

Surplus Security for Protection of Depositors and Debentureholders

$4,519,560.18

On the Strength of this Statement we Solicit Your Savings Account.

4%

Paid on Deposits

with privilege of issuing cheques.

CENTRAL CANADA
LOAN AND SAVINGS
COMPANY

King & Victoria Sts. - - Toronto
23 Simcoe St. North - - Oshawa

ESTABLISHED 1884

The Standard Trusts Company
of Winnipeg, Manitoba

INVITES the patronage of Western people as well as that of Eastern people having interests in the West requiring attention.

Nearly a quarter of a century in business, it was the first Trust Company to operate west of the Great Lakes, having its head offices there, and, with a Directorate of leading business men, well versed in Western affairs, it is capable of giving unquestionably good advice to all clients and patrons on matters fiduciary.

It is especially equipped to handle executorships, administrations, and trusts of all kinds, investments, rentals and other collections.

BRANCHES:

SASKATOON, EDMONTON. LETHBRIDGE, VANCOUVER

WESTERN HOMES LIMITED
Mortgage Investments
Head Office—Lombard Building—Winnipeg

Capital Authorized $5,000,000.00
Capital Subscribed $2,350,000.00
Capital Paid Up ....$ 950,000.00

The Story of Ten Years

Showing the substantial progress made in every department during the past ten difficult years.

	1915	1920	1925
Subscribed Capital	$182,800.00	$1,204,700.00	$2,325,000.00
Paid Up Capital	24,581.53	337,469.15	911,476.97
Assets	36,613.93	362,233.19	989,864.12
Deferred Profits and Surplus	4,741.62	24,148.52	72,109.13
Premiums in Course of Collection .	(Nil)	92,760.20	180,988.41

Western Homes' capital is invested in mortgages on moderately priced homes and well improved farms—the safest of all securities. The homes and farms held as security are conservatively appraised at over $2,000,000.00 and are supplemented by the covenants of over 800 borrowers.

Experienced Investors

are familiar with the financial background of the Canada Permanent, and appreciate the merits of Canada Permanent Bonds. For more than half a century, these Bonds have been a favorite investment of thousands of people who wish to rest secure in the knowledge that their money is safely invested.

The Bonds are now being issued in sums of $100 and upwards for periods of from one to five years. They bear interest at

FIVE PER CENT.

per annum, payable half-yearly.

Please let us send you full particulars of these time-tested Bonds. They are a Legal Investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET TORONTO 2, ONTARIO
ESTABLISHED 1855

The Real Estate Loan Company
OF CANADA, LIMITED
Established Under Dominion Charter, 1883

5 1-2 per cent. paid 1-2 Yearly on Currency Debentures for one year and over

THE debentures of this Company are issued on an especially conservative basis, being limited by by-law to the amount of the fully paid capital and reserve of the Company. As this Company does not take deposits, its debentures are a first charge upon the whole assets of the Company.

Directors:
EDMUND WRAGGE, M.I.C.E., President.
H. W. MICKLE, K.C., Vice-President.
WM. A. COOKE.
H. WILBERFORCE AIKINS, M.D.
E. L. MORTON, Managing Director.

Manitoba Agent:
ALEXANDER BAIN, Winnipeg, Man.
British Columbia Agents:
LONDON & BRITISH NORTH AMERICA CO., Ltd., Vancouver, B.C.
Alberta Agents:
SCARTH AGENCIES, LTD., Edmonton, Alta.

Financial Agents in Scotland:
MARTIN CURRIE & CO., C.A., Edinburgh.
Bankers in Canada:
IMPERIAL BANK OF CANADA
Bankers in Scotland:
THE NATIONAL BANK OF SCOTLAND, LTD.

Additional information may be obtained from office of the Company

28 Wellington St. East, Toronto, Ont. *or* *Edinburgh, Scotland*

Loan Companies Increased Mortgages; Trust Companies' Business Expanded

Fifty-Three Loan Companies and Thirty-Six Trust Companies Contribute Reports to This Annual Review — Total of Assets Nearly $1,400,000,000 —Striking Evidence of Public Confidence

Fifty-three loan companies and thirty-six trust companies, with assets totalling nearly $1,400,000,000, have contributed their annual reports to the Trust and Loan number of The Financial Post this year. The assets of these companies have continued to increase and their loans on mortgages have expanded, despite the rather unfavorable conditions which have prevailed as regards rural farm credits in Western Canada and depresion in urban building in some other sections of the country. Deposits of both loan and trust companies have increased, continuing the changed trend in regard to this feature of their business which was noted during the previous year. Debentures issued by the loan companies also show an increase.

Following is a summary of the assets and liabilities of the fifty-three companies whose reports are reviewed:

Assets	1924	1925
Mortgages	$189,888,839	$197,172,697
Other loans	6,467,164	4,098,622
Securities	41,585,784	41,962,786
Real est. & prem.	14,148,806	14,347,067
Cash	11,522,005	12,556,128
Total assets	272,733,089	282,070,189
Liabilities to the Public		
Deposits	$28,585,918	$32,926,325
Debentures	110,187,093	114,456,100
Total	139,947,286	148,596,914
Liabilities to the Shareholders		
Capital	$66,735,093	$66,870,016
Reserve	48,777,619	49,601,378
Undiv. profits	4,281,064	3,808,166

The business of the trust companies continues to grow as indicated by the following summary:

Trust Companies' Investments	1924	1925
Capital acct.	$48,796,279	$50,019,878
Guar. acct.	60,842,755	67,271,709
Estates	940,649,290	988,478,511
Total	1,050,288,354	1,105,771,108

All companies do not use the same system in the presentation of their profit and loss accounts. Some deduct war taxes, for example, from the gross income as part of the operating expenses and show this deduction there; others take the attitude that such taxation is an extraordinary charge and make the deduction after showing net earnings, and still others merely show the net profits in a stated sum after all charges including war taxes, etc., have been paid. It has been necessary, therefore, for comparative purposes, to bring all companies to the basis of those companies which merely show net profits without enumerating charges and expenses. Information given by those companies which give details of expenditures before declaring net profits, is presented, after the arrangement of the company's own statement so far as possible.

The Mortgage Companies

BRITISH MORTGAGE LOAN CO. OF ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$247,368	$247,339	$270,084
Interest—			
Debentures ...	$ 71,102	$ 69,240	$ 75,191
Deposits	49,109	47,725	52,270
Expenses	19,257	22,289	23,920
Com. on loans ..	2,278	2,122	7,686
Directors' fees ..	4,520	4,670	5,066
Taxes	12,248	12,958	13,196
	$158,514	$159,004	$177,329
Net profits	$ 88,854	$ 88,335	$ 92,755
Bal. forward ...	6,435	5,288	3,623
Prem. on stock ..	......	......	69,800
	$ 95,528	$ 93,623	$166,178
Distribution—			
Dividends	$ 70,000	$ 70,000	$ 70,000
Reserve	20,000	10,000	80,000
Bal. forward .	5,288	3,623	16,178
Contingency ..	......	10,000	......
	$ 95,289	$ 93,623	$166,178

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	*Earn. Rate
1913	$449,450	$50,277	8	11.1	6.9
1914	449,650	49,832	8	11.0	6.7
1915	450,000	54,578	8	12.1	7.2
1916	450,000	63,942	9	14.2	8.3
1917	500,000	62,984	10	12.5	7.9
1918	500,000	73,823	10	14.7	8.2
1919	500,000	82,954	12	16.5	9.1
1920	500,000	95,552	12+2	18.5	9.8
1921	500,000	70,581	12	14.1	7.3
1922	500,000	85,145	12	17.0	8.5
1923	500,000	88,854	12+2	17.7	8.7
1924	500,000	88,335	12+2	17.6	8.5
1925	568,900	92,755	12+2	18.5	8.2

*Per cent. average capital, reserve and balance at credit of profit and loss at beginning of year.

B.C. PERMANENT LOAN CO. VANCOUVER

Distribution of Earnings

	1923	1924	1925
Earnings	$197,949	$190,004	$202,517
Expenses	$ 45,465	$ 55,404	$ 55,960
Interest	58,534	60,206	64,003
Taxes	19,445	5,926	8,000
	$123,444	$121,536	$127,963
Net profits	$ 74,505	$ 68,468	$ 74,554
Bal. forward	10,166	9,284	2,306
	$ 84,671	$ 77,752	$ 76,860
Dividends	$ 75,386	$ 75,445	$ 66,093
Balance	9,285	2,306	10,767
	$ 84,671	$ 77,752	$ 76,860

Rate of Earnings

Year	Paid-up Capital	*Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$900,077	$132,644	10	15.1	9.7
1914	920,107	84,055	8	9.2	5.4
1915	923,290	53,200	5	5.7	3.3
1916	923,290	57,536	..	6.2	3.3
1917	923,290	45,729	..	5.0	2.8
1918	923,290	76,289	..	8.3	4.3
1919	923,290	91,790	6	9.9	6.5
1920	926,721	126,468	6+2	13.6	7.5
1921	940,763	101,435	6+2	10.9	5.9
1922	941,829	86,012	6+2	9.1	4.9
1923	942,424	74,505	6+2	7.9	4.2
1924	948,319	68,468	6+2	7.2	3.9
1925	944,599	74,554	6+1	7.9	4.6

*Provision for income tax deducted.

BROCKVILLE LOAN & SAVINGS CO., LTD., BROCKVILLE

Distribution of Earnings

	1923	1924	1925
Earnings	$ 68,064	$ 68,858	$ 71,273
Interest	$ 13,888	$ 13,898	$ 16,997
Taxes	5,007	4,785	4,877
Expenses	13,405	12,939	13,036
	$ 31,940	$ 31,622	$ 34,910
Profits	$ 36,124	$ 37,236	$ 36,363
Bal. forward ...	4,993	7,803	5,547
Other profits ...	800	.....	.....
	$ 41,917	$ 45,039	$ 41,910
Distribution—			
Dividends	$ 24,114	$ 24,492	$ 24,500
Reserve	10,000	15,000	15,000
Balance	7,803	5,547	2,410
	$ 41,917	$ 45,039	$ 41,910

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$236,292	$ 24,289	6	10.4	9.0
1914	264,776	28,801	6	11.4	9.3
1915	289,405	32,770	6	11.6	9.3
1916	294,910	34,689	6	12.0	9.4
1917	301,810	27,954	7	9.3	7.1
1918	302,510	29,160	7	9.6	7.2
1919	303,043	31,199	7	10.3	7.4
1920	305,443	30,253	7	9.9	7.0
1921	305,593	31,909	7	10.4	7.2
1922	336,625	35,195	7	10.7	7.3
1923	348,900	36,124	7	10.5	7.0
1924	350,000	37,236	7	10.6	7.0
1925	350,000	36,363	7	10.8	6.7

CANADA LANDED & NATIONAL INVESTMENT CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$425,776	$425,400	$413,059
Interest	$202,747	$197,034	$187,119
Taxes	3,702	3,610	.....
Dom. Tax	16,630	19,713	.....
Management ...	57,949	58,585	57,500
Commissions ...	12,293	14,924	*31,470
	$293,321	$293,866	$276,089
Net profits	$132,455	$131,534	$136,970
Bal. forward	42,182	42,086	53,120
	$174,637	$173,620	$190,090
Distribution—			
Dividends	$120,500	$120,500	$120,500
Bonds	12,050	.....	12,050
Balance	42,086	53,120	57,539
	$174,637	$173,620	$190,090

* Includes taxes and commissions.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$1,205,000	$190,302	9	15.7	8.9
1914	1,205,000	192,288	9	15.9	8.7
1915	1,205,000	199,201	9	16.9	8.7
1916	1,205,000	170,249	9	14.1	7.1
1917	1,205,000	158,211	9	13.1	6.5
1918	1,205,000	152,288	9	12.6	6.1
1919	1,205,000	151,684	9	12.6	5.9
1920	1,205,000	194,874	10	16.2	7.5
1921	1,205,000	202,424	10	16.7	7.5
1922	1,205,000	137,214	10+1	11.4	5.1
1923	1,205,000	132,455	10+1	11.0	4.9
1924	1,205,000	131,534	10	10.9	4.8
1925	1,205,000	136,970	10+1	11.4	5.0

CANADA MORTGAGE INVESTMENT CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$ 83,996	*$63,759	*$62,404
War tax	1,263	.....	.....
R. for war tax..	6,717	.....	.....
	$ 8,080	....	.....
Net profits	$ 83,996	$ 63,759	$ 62,404
Bal. forward ...	19,240	28,641	30,162
	$103,236	$ 92,400	$ 92,566
Distribution—			
Dividends	$ 74,595	$ 62,238	$ 62,250
Reserve	.....	.....	15,150
Balance	28,641	30,162	15,166
	$103,236	$ 92,400	$ 92,566

*Taxes deducted.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$1,200,484	$110,549	6	9.5	7.6
1914	1,208,272	120,972	6	10.1	7.9
1915	1,211,116	121,896	6	10.1	7.7
1916	1,218,227	112,472	6	9.3	6.9
1917	1,223,850	110,059	6	9.0	6.5
1918	1,231,630	101,549	6	8.3	6.0
1919	1,234,954	81,538	6	6.8	5.0
1920	1,239,586	96,055	6	7.7	5.6
1921	1,242,022	89,094	6	7.1	5.0
1922	1,243,740	91,656	6	7.3	5.1
1923	1,243,263	83,996	6	6.7	4.8
1924	1,244,766	63,759	5	5.1	3.9
1925	1,245,000	62,404	5	5.0	3.8

CANADA PERMANENT MORTGAGE CORP., TORONTO

Distribution of Earnings

	1923	1924	1925
*Earnings .....$	911,798 $	922,683 $	946,167
Bal. forward ...$	334,156	405,954	488,637
	$1,245,954	$1,328,637	$1,434,804
Distribution—			
Dividends ...$	840,000 $	840,000 $	840,000
Balance	405,954	488,637	94,804
Reserve	....	....	500,000
	$1,245,954	$1,328,637	$1,434,804

*After interest, taxes and expenses and all charges and losses.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$6,000,000	$884,626	10	14.7	8.8
1914	6,000,000	876,765	10	14.6	8.4
1915	6,000,000	872,105	10	14.5	8.2
1916	6,000,000	866,126	10	14.4	8.0
1917	6,000,000	852,325	10	14.2	7.6
1918	6,000,000	824,532	10	13.7	7.2
1919	6,000,000	827,984	10	13.8	7.1
1920	6,000,000	854,277	10	14.2	7.1
1921	7,000,000	896,366	12	*13.79	6.8
1922	7,000,000	903,019	12	12.90	6.3
1923	7,000,000	911,789	12	13.00	6.3
1924	7,000,000	922,683	12	13.17	6.4
1925	7,000,000	946,167	12	13.51	6.3

*$6,000,000 for the first six months and $7,000,000 for second six months.

CENTRAL CANADA LOAN & SAVINGS CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$228,839	$249,534	$270,462
Char. funds	3,557	3,960	4,223
Taxes	7,925	8,361	8,758
	11,482	12,321	12,981
Net profits	$217,357	$237,213	$257,481
Bal. forward ...	152,509	159,866	169,579
	$369,866	$397,079	$427,060
Distribution—			
Dividends	$175,000	$201,250	$210,000
Bonus	35,000	26,250	35,000
Balance	159,866	169,579	182,060
	$369,866	$397,079	$427,060

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$1,750,000	$285,816	10	16.3	8.3
1914	1,750,000	215,567	10	12.3	6.0
1915	1,750,000	214,052	10	12.2	6.0
1916	1,750,000	208,811	10	12.2	5.9
1917	1,750,000	191,810	10	11.2	5.2
1918	1,750,000	193,211	10	11.4	5.4
1919	1,750,000	207,129	10	12.1	5.8
1920	1,750,000	206,787	10+3	12.1	5.7
1921	1,750,000	199,863	10	11.4	5.5
1922	1,750,000	199,177	10	11.4	5.5
1923	1,750,000	217,357	10+2	12.4	5.9
1924	1,750,000	237,213	11½+1½	13.5	6.5
1925	1,750,000	257,481	12+2	14.7	7.0

COLONIAL INVESTMENT & LOAN CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Net revenue	$ 12,285	$ 31,441	$ 20,044
Bal. forward ...	4,180	3,900	7,763
Trans. from res.	25,000	10,000	20,000
	$ 41,465	$ 45,341	$ 47,807
Distribution—			
Dividends	$ 37,565	$ 37,578	$ 37,581
Balance	3,900	7,763	10,226
	$ 41,465	$ 45,341	$ 47,807

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$2,448,440	$187,783	6	8.2	7.4
1914	2,451,803	178,588	5½	7.3	6.5
1915	2,452,868	163,884	5	7.0	6.8
1916	2,453,995	154,717	6	6.4	5.5
1917	2,455,375	155,479	6	6.3	5.2
1918	2,456,402	154,935	6	6.3	5.4
1919	2,458,421	136,433	6	5.5	4.7
1920	1,250,926	168,990	6	7.7	6.2
1921	1,251,382	69,425	6	5.5	4.1
1922	647,988	40,680	6	6.3	4.1
1923	648,330	12,285	6	2.0	1.3
1924	648,535	31,441	6	5.0	3.6
1925	345,652	20,044	6	5.8	3.6

CROWN SAVINGS & LOAN CO., PETROLEA

Distribution of Earnings

	1923	1924	1925
Earnings	$ 46,742	$ 46,797	$ 46,761
In. on deb. & dep.	$ 17,253	$ 17,066	$ 18,069
Expense	6,346	5,902	5,858
Taxes, etc.	2,434	2,928	3,007
Writ. off prm...	410	318	500
	$ 26,443	$ 26,214	$ 27,434
Net profits	$ 20,299	$ 20,583	$ 19,327
Bal. forward ...	3,582	4,213	4,628
Off investments.	.....	500	500
	$ 23,881	$ 24,296	$ 23,455
Distribution—			
Dividends	$ 15,668	$ 15,668	$ 15,668
Reserve	4,000	4,000	3,500
Balance	4,213	4,628	4,287
	$ 23,881	$ 24,296	$ 23,455

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1915 ....$	236,700	$ 17,454	6	7.4	5.7
1916	238,000	17,970	6	7.8	5.8
1917	241,050	18,235	6	8.0	6.0
1918	241,050	19,467	6	8.0	6.0
1919	241,050	20,548	6	8.5	6.2
1920	241,050	20,022	6	8.4	6.0
1921	241,050	19,264	6+½	8.0	5.6
1922	241,050	21,320	6+½	8.8	6.0
1923	241,050	20,299	6+½	8.4	5.8
1924	241,050	20,583	6+½	8.5	5.4
1925	241,050	19,327	6+½	8.0	5.3

DEBENTURE CO. OF CANADA, REGINA, SASK.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 17,460	$ 26,337	$ 30,613
Income tax	1,297	1,594	2,555
Written off	273	.....	.....
Net profits	$ 15,890	$ 24,743	$ 28,058
Bal. forward ...	921	540	2,426
	$ 16,811	$ 25,283	$ 30,484
Distribution—			
Dividends	$ 16,270	$ 20,172	$ 24,666
Reserve	.....	2,685	4,170
Balance	541	2,426	1,648
	$ 16,811	$ 25,283	$ 30,484

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1919	$ 48,646	$ 3,629	10	10.3	7.2
1920	77,243	5,705	10	9.8	7.1
1921	114,986	9,324	10	10.1	7.8
1922	148,480	13,549	10	10.3	8.3
1923	186,585	15,890	10	9.8	7.9
1924	223,658	24,743	10	12.3	10.1
1925	279,681	28,058	10	11.4	10.2

EAST LAMBTON FARMERS' LOAN & SAVINGS CO., FOREST, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 34,884	$ 36,956	$ 39,453
Interest—			
On deposits ..	$ 4,908	$ 4,972	$ 5,456
On debentures.	7,126	9,323	10,969
Expenses . ..	3,212	2,390	2,816
Taxes	2,556	2,562	2,637
	$ 17,802	$ 19,247	$ 21,878
Net profits	$ 17,002	$ 17,709	$ 17,575
Distribution—			
Dividend	$ 13,629	$ 13,629	$ 13,629
Reserve	3,372	4,080	3,946
	$ 17,003	$ 17,709	$ 17,575

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1913	$200,000	$12,715	6	6.3	5.8
1914	209,825	14,183	6	7.0	6.1
1915	213,250	16,432	6	7.8	7.0
1916	217,000	15,411	6	7.3	6.0
1917	220,100	16,167	6	7.3	6.0
1918	200,200	16,145	6	7.3	6.0
1919	221,650	17,832	6	8.0	6.4
1920	225,000	16,021	6	7.1	5.7
1921	227,050	14,186	6	6.4	5.0
1922	227,15	17,108	6	7.8	5.7
1923	227,150	17,002	6	7.7	5.6
1924	227,150	17,709	6	8.0	5.7
1925	227,150	17,575	6	7.7	5.6

EASTERN CANADA SAVINGS & LOAN CO., HALIFAX

Distribution of Earnings

	1923	1924	1925
Earnings	$174,897	$190,983	*$88,731
Interest	$ 69,919	$ 78,310	$ .....
Management ...	29,255	31,376	.....
Taxes	10,261	10,472	11,717
Written off	1,462	5,603	2,014
	$110,897	$125,761	$ 13,731
Net profits	$ 64,000	$ 65,222	$ 75,000
Distribution—			
Dividends	$ 60,000	$ 60,000	$ 60,000
Reserve	4,000	5,222	15,000
	$ 64,000	$ 65,222	$ 75,000

*Interest and management deducted.

Rate of Earnings

Year	Paid-up Capital	*Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$250,000	$29,500	7	11.8	8.0
1914	250,000	29,000	8	11.6	7.6
1915	250,000	31,000	8	12.4	8.1
1916	359,450	37,865	8	12.0	8.2
1917	372,890	43,932	8	12.2	8.0
1918	375,000	43,426	8	11.7	7.6
1919	502,300	51,912	8	12.6	8.2
1920	600,000	59,303	8	10.6	7.4
1921	749,840	65,856	8	9.2	6.5
1922	750,000	64,000	8	8.5	6.1
1923	750,000	64,000	8	8.5	6.1
1924	750,000	65,222	8	8.7	6.1
1925	750,000	75,000	8	10.0	7.0

*Less amount written off.

(Continued on page 21)

The
Canada National Fire Insurance
Company

Head Office — 356 Main Street, Winnipeg

Subscribed Capital $2,050,400.00
Paid-Up Capital 1,894,008.78
Surplus to Policyholders 2,277,570.25

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THE
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COMPANY

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356 Main Street, Winnipeg

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Reserves 968,977.41

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PAYABLE BY COUPONS, SEMI-ANNUALLY

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The Imperial Canadian Trust
COMPANY

Head Office — 356 Main Street, Winnipeg

Subscribed Capital $1,172,500.00
Paid-Up Capital and Reserve 1,265,615.58

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Collect dividends, interest, rentals, notes, etc.
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THE
TORONTO GENERAL TRUSTS
CORPORATION
Established 1882

HON. N. W. ROWELL, K.C., LL.D.
President
W. G. WATSON, *General Manager*
H. M. FORBES, *Asst. General Manager*

TORONTO OTTAWA WINNIPEG SASKATOON VANCOUVER

The Mortgage Companies

(Continued from page 20).

EMPIRE LOAN COMPANY, WINNIPEG

Distribution of Earnings

	1923	1924	1925
Profits	$ 16,235	$ 15,600	$ 8,601
Bal. forward	2,109	856	2,751
Reserve trans.	75,000	.....	.....
	$ 93,344	$ 16,456	$ 11,352
Distribution—			
Balance	$ 856	$ 2,751	$ 2,279
Deprec. in secs.	.....	12,079	8,679
Loss on prop'y	.....	1,626	394
	$ 93,344	$ 16,456	$ 11,352

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	$604,755	$17,766	..	3.0	2.6
1919	607,226	26,462	4	4.3	3.7
1920	620,761	33,880	4½	5.4	4.7
1921	631,481	27,201	5	4.4	3.7
1922	636,597	26,272	4	4.1	3.7
1923	638,055	16,235	..	2.5	2.1
1924	638,376	15,600	..	2.4	2.3
1925	638,376	8,601	..	1.3	1.2

FRONTENAC LOAN & INVEST. SOCIETY, KINGSTON, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 17,205	$ 18,436	$ 19,192
Interest	1,173	1,305	1,555
Expenses	5,433	5,584	5,334
	$ 6,506	$ 6,889	$ 6,889
Net profits	$ 10,599	$ 11,547	$ 12,303
Dividends	10,000	11,000	11,000
Balance	99	547	492
Real estate	500	.....	811
	$ 19,599	$ 11,547	$ 12,303

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1914	$200,000	$10,900	5	5.4	4.8
1915	200,000	11,500	5	5.8	5.0
1916	200,000	11,550	5	5.8	5.0
1917	200,000	12,432	5½	6.2	5.4
1918	200,000	12,059	5½	6.0	5.0
1919	200,000	11,974	5½	5.9	4.9
1920	200,000	11,100	5	5.5	4.8
1921	200,000	10,281	5	5.1	4.4
1922	200,000	11,283	5½	5.6	4.8
1923	200,000	10,599	5	5.2	4.2
1924	200,000	11,547	5½	5.7	5.0
1925	200,000	12,303	5½	6.1	5.3

GREAT WEST PERMANENT LOAN CO., WINNIPEG

Distribution of Earnings

	1923	1924	1925
*Net profits	†63,658	†$38,686	†$12,515
Bal. forward	17,444	.....	.....
	$ 46,164	†$38,686	†$12,515

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$2,356,025	$225,849	9	11.6	9.1
1914	2,400,484	244,266	9	10.1	7.9
1915	2,410,925	203,667	‡8	8.4	6.6
1916	2,411,826	208,253	8	8.7	6.7
1917	2,412,566	206,338	5	8.5	6.6
1918	2,412,578	207,879	.	8.6	6.8
1919	2,413,018	161,598	5	6.7	5.0
1920	2,414,663	157,715	5	6.5	4.0
1921	2,415,863	129,069	5	5.3	4.0
1922	2,417,120	6,313	.	.2	..
1923	2,417,311	†63,658	.	..	..
1924	2,417,512	†38,686	.	..	..
1925	2,417,722	†12,515	.	..	..

*After deducting expenses, taxes, interest, etc.

‡For first half of year 9 per cent. was paid and 7 per cent. in the last half.

†Loss.

GREY AND BRUCE LOAN CO., OWEN SOUND

Distribution of Earnings

	1923	1924	1925
Earnings	$ 55,309	$ 56,797	$ 60,919
Int. on deb.	$ 5,049	$ 5,754	$ 7,682
Int. on deposits.	8,451	9,356	10,965
Taxes	4,612	4,703	3,857
Fees	538	550	591
War tax	537	465	551
Expenses	5,715	5,495	5,782
	$ 24,902	$ 26,323	$ 29,428
Net profits	$ 30,407	$ 30,474	$ 31,491
Distribution—			
Dividends	$ 26,663	$ 26,663	$ 26,663
Reserve	2,000	2,000	2,500
Contingent	1,369	1,436	1,953
Deprec. res.	375	375	375
	$ 30,407	$ 30,474	$ 31,491

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$422,730	$28,008	6	6.7	6.0
1914	443,895	29,824	6	6.7	6.1
1915	443,895	29,751	6	6.7	5.8
1916	444,145	29,601	6	7.0	6.2
1917	444,145	30,971	6	7.2	6.4
1918	444,175	34,273	6	7.8	6.9
1919	444,350	32,113	6	7.3	6.3
1920	444,380	30,499	6	6.9	5.9
1921	444,380	26,663	6	6.0	5.1
1922	444,380	30,350	6	6.9	5.8
1923	444,380	30,407	6	6.9	5.8
1924	444,380	30,474	6	6.9	5.8
1925	444,380	31,491	6	7.0	5.9

GUELPH AND ONTARIO INVEST. AND SAVINGS SOCIETY, GUELPH

Distribution of Earnings

	1923	1924	1925
Earnings	$261,336	$266,148	$275,337
Taxes	$ 10,734	$ 8,623	$ 8,777
Expenses	159,064	161,716	171,866
	$169,798	$170,339	$180,643
Profits	$ 91,538	$ 95,809	$ 94,694
Bal. forward	74,433	38,765	57,368
	$165,971	$134,574	$152,062
Dividends	$ 77,206	$ 77,206	$ 77,206
Contingent	50,000	.....	50,000
Balance	38,765	57,368	24,856
	$165,971	$134,574	$152,062

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$594,870	$109,507	10	18.3	10.6
1914	608,310	114,024	10	18.8	9.9
1915	643,695	122,180	10	19.5	9.9
1916	711,983	130,668	10	18.4	10.0
1917	782,701	129,398	10	17.0	8.5
1918	847,847	123,508	10	14.8	7.6
1919	923,233	143,771	10	15.9	8.7
1920	964,840	117,663	10	12.4	6.6
1921	965,080	124,953	10	13.0	6.7
1922	965,080	107,058	9	11.0	5.7
1923	965,080	91,538	8	9.5	4.9
1924	965,080	95,809	8	9.9	5.1
1925	965,080	94,694	8	9.8	5.0

HAMILTON PROVIDENT AND LOAN SOCIETY, HAMILTON, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$360,654	$367,484	$375,390
Interest	$107,439	$111,952	$112,289
Expenses	46,201	51,459	51,026
Com. on loans	5,914	2,686	8,603
Inspect'n of land	6,890	5,538	4,491
Taxes	20,796	23,971	23,701
	$187,240	$195,606	$200,110
Net profits	$173,414	$171,878	$175,280
Distribution—			
Dividends	$120,000	$120,000	$120,000
Reserve	50,000	50,000	50,000
Contingent	3,414	1,878	5,280
	$173,414	$171,878	$175,280

Rate of Earnings

Year	Paid-up Capital	*Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$1,200,000	$148,042	7	12.4	7.4
1914	1,200,000	160,842	8	13.4	7.8
1915	1,200,000	161,449	8	13.4	7.6
1916	1,200,000	173,081	8	14.4	8.2
1917	1,200,000	168,482	8	14.0	7.7
1918	1,200,000	160,846	8	13.3	7.0
1919	1,200,000	159,730	9	13.2	6.6
1920	1,200,000	161,895	9	13.4	6.7
1921	1,200,000	156,925	10	13.0	6.2
1922	1,200,000	170,000	10	14.1	6.8
1923	1,200,000	178,414	10	14.4	6.6
1924	1,200,000	171,878	10	14.2	6.5
1925	1,200,000	175,280	10	14.5	6.5

*Taxes deducted.

HOME INVESTMENT AND SAVINGS ASSO., WINNIPEG, MAN.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 80,490	$ 58,653	$ 62,846
Taxes	8,472	4,821	3,177
Net profits	$ 72,018	$ 53,832	$ 59,669
Bal. forward	96,968	38,420	9,757
Adjust. of taxes.	1,150	12	194
	$167,836	$ 92,240	$ 69,620
Distribution—			
Dividends	$ 79,416	$ 59,565	$ .....
Balance	38,420	9,757	3,396
Contingent	50,000	22,917	66,224
	$167,836	$ 92,240	$ 69,620

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$862,490	$134,598	9	15.6	10.8
1914	969,300	134,387	9	14.5	9.8
1915	981,726	123,059	9	12.6	8.3
1916	984,481	111,006	9	11.2	7.4
1917	989,131	108,497	9	11.0	7.1
1918	991,928	101,578	8	10.3	6.6
1919	992,352	91,241	8	9.2	6.0
1920	992,482	95,041	8	9.6	6.0
1921	992,630	81,613	8	8.2	5.5
1922	992,674	79,136	8	8.0	5.0
1923	992,721	72,018	8	7.2	4.5
1924	992,763	53,832	6	5.4	3.5

HUDSON BAY MORTGAGE CORP., VANCOUVER, B.C.

Distribution of Earnings

	1923	1924	1925
Profits	$ 7,902	$ 7,998	$ 8,036
Expenses	4,180	4,867	3,847
Net profits	$ 3,722	$ 3,131	$ 4,189
Bal. forward	3,990	3,359	6,490
	$ 7,712	$ 6,490	$ 10,679
Dividends	4,354	.....	.....
	$ 3,358	$ 6,490	$ 10,679

HURON AND ERIE MORTGAGE CORP., LONDON, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$570,036	$571,914	$572,815
Taxes	$ 49,474	$ 57,677	$ 60,068
Premises	20,104	13,000	15,000
	$ 69,578	$ 70,677	$ 75,068
Net profits	$500,458	$501,237	$497,747
Bal. forward	25,243	25,701	51,938
	$525,701	$526,938	$549,685
Distribution—			
Dividends	$350,000	$375,000	$375,000
Reserve	150,000	100,000	100,000
Balance	25,701	51,938	74,685
	$525,701	$526,938	$549,685

Rate of Earnings

Year	Paid-up Capital	*Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$2,100,000	$368,588	12	17.5	8.4
1914	2,406,201	400,116	12	17.3	8.5
1915	2,458,415	409,203	12	17.0	7.8
1916	2,500,000	419,262	12	16.4	7.7
1917	2,500,000	421,151	12	17.0	7.4
1918	2,500,000	446,668	12	17.8	7.9
1919	5,000,000	493,037	6	9.8	8.3
1920	5,000,000	505,943	6+1	10.1	8.4
1921	5,000,000	531,444	6+1	10.6	8.4
1922	5,000,000	521,482	7	10.4	8.0
1923	5,000,000	500,458	7	10.0	7.5
1924	5,000,000	501,237	7½	10.0	7.4
1925	5,000,000	497,747	7½	9.9	7.2

*Taxes and amount written off premises deducted.

INDUSTRIAL MORTGAGE AND SAVINGS CO., SARNIA, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$188,327	$192,540	$204,580
Interest—			
Debenture	$ 51,913	$ 59,280	$ 65,336
Deposits	30,929	30,500	32,959
Expenses	13,678	13,978	15,143
Registration	295	220	220
Taxes and insur.	10,596	11,797	11,665
Com. on loans	2,159	1,634	3,169
	$109,570	$117,409	$128,492
Net profits	$ 78,757	$ 75,131	$ 76,088
Bal. forward	810	416	397
	$ 79,567	$ 75,547	$ 76,485
Distribution—			
Dividends	$ 57,150	$ 57,150	$ 57,150
Reserve	22,000	18,000	19,000
Balance	417	397	355
	$ 79,567	$ 75,547	$ 76,485

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1914	$589,056	$58,510	7	9.8	7.1
1915	599,122	57,936	7	10.4	6.6
1916	601,297	64,987	7½	10.8	7.0
1917	633,750	68,213	8	11.0	7.2
1918	633,850	68,708	8	10.9	6.9
1919	634,100	75,956	8	11.0	7.5
1920	635,000	76,484	8+1	12.1	7.4
1921	635,000	71,111	8	11.3	6.6
1922	635,000	72,562	9	11.4	6.6
1923	635,000	78,757	9	12.5	7.0
1924	635,000	75,131	9	11.8	6.6
1925	635,000	76,088	9	11.9	6.6

INVESTMENT CORP. OF CANADA, LONDON, ENG.

Distribution of Earnings

	1923	1924	1925
Earnings	$239,940	$214,185	$136,270
Commission	$ 19,020	$ 17,180	$ 15,970
Expenses	15,405	15,330	16,250
Taxes	7,025	17,265	21,380
Interest	52,125	50,820	49,625
	$ 93,575	$100,595	$103,225
Net profits	$146,365	$113,590	$ 33,045
*Bal. forward	48,765	30,830	10,095
From reserve	.....	31,070	29,230
	$195,130	$175,490	$ 72,370
Distribution—			
Dividends pf.	$ 67,500	$ 67,500	$ 67,500
Reserve	36,795	35,000	.....
Balance	90,835	21,895	4,870
Off invest.	$195,130	$175,490	$ 72,370

*Less dividend on ordinary stock.

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

LA COMPAGNIE FONCIERE DE MANITOBA, LTD., WINNIPEG

Distribution of Earnings

	1924	1925
Earnings	$25,593	$29,935
Expenses	$ 7,078	$ 7,204
Taxes	1,484	1,340
Auditors' fees	200	200
Discount on debs.	557	669
Int. on deb. and dep.	5,093	5,235
Loss on properties	1,309	5,268
	$15,721	$19,916
Net profits	$ 9,872	$ 9,019
Bal. forward	6,234	6,821
	$16,106	$15,840
Distribution—		
Directors' remuneration	$ 789	$ 721
Reserve	494	451
Dividends	8,001	8,001
Balance	6,821	6,667
	$16,106	$15,840

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1924	$400,050	$ 9,872	2	2.4	2.2
1925	400,051	9,019	2	2.2	2.0

LAMBTON LOAN AND INVESTMENT CO., SARNIA, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$241,576	$248,176	$261,027
Interest—			
Debentures	$ 52,428	*$63,359	*$68,336
Deposits	42,006	39,991	43,268
Taxes	14,851	15,703	15,659
Expenses	20,373	21,227	23,376
Commissions	166	423	783
Gen. interest	.....	223	.....
Written off	......	......	383
	$129,821	$140,926	$151,805
Profits	$111,755	$107,250	$109,222
From contingent	12,873	.....	.....
Bal. forward	.....	20,652	28,132
	$124,628	$127,902	$137,354
Distribution—			
Dividends	$ 78,975	$ 78,975	$ 78,975
Bonuses	.....	15,795	15,795
Reserve	25,000	5,000	20,000
Balance	20,653	28,132	22,584
	$124,628	$127,902	$137,354

*Includes interest on bonds.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$789,750	$ 94,750	9	12.1	6.8
1914	789,750	90,004	8	11.4	6.4
1915	789,750	93,234	8	11.8	6.0
1916	789,750	100,412	8+1	12.7	6.9
1917	789,750	102,270	8	13.0	6.8
1918	789,750	102,753	8+2	13.0	6.7
1919	789,750	114,736	8+2	14.5	7.4
1920	789,750	105,606	8+2	13.5	6.6
1921	789,750	105,642	8+2	13.5	6.5
1922	789,750	103,556	10	13.2	6.2
1923	789,750	111,755	10	14.1	6.6
1924	789,750	107,250	10+2	13.7	6.2
1925	789,750	109,222	10+2	13.8	6.3

LANDED BANKING AND LOAN CO., HAMILTON

Distribution of Earnings

	1923	1924	1925
Earnings	$233,704	$253,864	$260,000
Interest	$ 68,497	$ 71,684	$ 77,797
Taxes	12,736	13,165	18,399
Expenses	35,631	37,835	43,925
	$116,864	$122,684	$140,121
Net profits	$116,840	$131,180	$119,880
Bal. forward	44,533	21,373	32,553
	$161,373	$152,553	$152,433
Distribution—			
Dividends	$ 90,000	$ 90,000	$ 90,000
Reserve	50,000	30,000	40,000
Balance	21,373	32,553	22,433
	$161,373	$152,553	$152,433

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$ 929,126	$106,243	7½	12.6	7.8
1914	978,500	121,472	8	12.7	7.7
1915	987,970	128,678	8	13.2	6.8
1916	1,000,000	131,084	8	13.1	7.6
1917	1,000,000	135,885	8	13.5	7.9
1918	1,000,000	129,501	8	12.9	7.2
1919	1,000,000	120,598	8	12.0	6.4
1920	1,000,000	119,274	8	11.9	6.2
1921	1,000,000	121,452	8	12.1	6.0
1922	1,000,000	126,478	8+1	12.6	6.3
1923	1,000,000	116,840	8+1	11.6	5.8
1924	1,000,000	131,180	8+1	13.1	6.3
1925	1,000,000	119,880	8	11.9	5.2

THE LONDON LOAN AND SAVINGS CO. OF CANADA, LONDON, ONT.

Distribution of Earnings

	1923	1924	1925
Net profits	$ 71,349	$ 72,626	$ 76,611
Bal. forward	4,636	3,580	3,796
	$ 75,985	$ 76,206	$ 80,407
Distribution—			
Dividends	$ 62,405	$ 62,409	$ 62,410
Reserve	10,000	10,000	10,000
Balance	3,580	3,797	7,997
	$ 75,985	$ 76,206	$ 80,407

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$839,227	$ 97,552	6+2	12.4	9.6
1914	857,224	101,697	6+1	12.0	9.3
1915	882,889	117,817	6+1¼	13.5	10.0
1916	884,283	81,225	6	9.2	6.7
1917	887,398	35,429	6+1	4.1	2.9
1918	887,849	83,920	6+1	9.5	6.9
1919	888,321	83,121	7	9.4	6.6
1920	891,383	81,125	7	9.2	6.3
1921	891,444	73,191	7	8.2	5.6
1922	891,539	74,068	7	8.3	5.6
1923	891,539	71,349	7	8.0	5.4
1924	891,571	72,626	7	8.1	5.4
1925	891,571	76,611	7	8.6	5.7

MIDLAND LOAN AND SAVINGS CO., PORT HOPE

Distribution of Earnings

	1923	1924	1925
Earnings	$214,608	$137,027	$146,341
Interest—			
Dep. and deb.	$ 53,717	$ 61,931	$ 69,036
Expenses	14,900	14,627	15,891
Commissions	171	634	964
Taxes	7,361	6,915	7,387
	$ 76,149	$ 84,107	$ 93,278
Profits	$ 48,459	$ 52,920	$ 53,063
Bal. forward	18,395	14,453	14,974
	$ 66,854	$ 67,373	$ 68,037
Distribution—			
Dividends	$ 32,400	$ 32,400	$ 32,400
Reserve	10,000	10,000	20,000
Bal. forward	14,454	14,973	15,637
Contingent	10,000	10,000	.....
	$ 66,854	$ 67,373	$ 68,037

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$360,000	$39,676	8	11.0	6.9
1914	360,000	43,511	8	12.0	7.2
1915	360,000	44,836	8	12.4	7.4
1916	360,000	42,043	8	11.6	6.8
1917	360,000	41,300	8	11.5	6.6
1918	360,000	41,076	8	11.4	6.3
1919	360,000	43,606	8	12.1	6.6
1920	360,000	42,768	8+½	11.8	6.3
1921	360,000	50,247	8+1	13.9	7.1
1922	360,000	52,725	8+1½	14.6	7.4
1923	360,000	48,459	8+1	13.4	6.6
1924	360,000	52,920	8+1	14.6	7.2
1925	360,000	53,063	8+1	14.7	7.0

MONTREAL LOAN AND MORTGAGE CO., MONTREAL

Distribution of Earnings

	1923	1924	1925
Earnings	$127,851	*$85,319	*$85,958
Interest—			
Debenture	$ 6,953	$	$ ......
Deposit	8,060	.....	.....
Expenses	17,005	.....	.....
War tax	1,244	.....	.....
Income tax	8,352	.....	.....
	$ 41,614	.....	.....
Net profits	$ 86,237	$ 85,319	$ 85,958
Bal. forward	65,562	73,799	31,118
	$151,799	$159,118	$117,076
Distribution—			
Dividends	$ 78,000	$ 78,000	$ 78,000
Reserve	.....	50,000	.....
Balance	73,799	31,118	39,076
	$151,799	$159,118	$117,076

*After deducting taxes and expenses.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$600,000	$77,425	10	12.9	6.2
1914	600,000	76,940	10	12.8	6.1
1915	600,000	79,281	10	13.2	6.2
1916	600,000	81,229	10	13.5	6.3
1917	600,000	84,025	10+1	14.0	6.3
1918	600,000	85,965	10+1	14.3	6.4
1919	600,000	87,931	10+1	14.6	6.6
1920	600,000	92,150	12+1	15.3	6.6
1921	600,000	87,318	12+1	14.5	6.0
1922	600,000	83,674	12+1	13.9	5.7
1923	600,000	86,237	12+1	14.3	5.9
1924	600,000	85,319	12+1	14.2	5.6
1925	600,000	85,958	12+1	14.3	5.7

MORTGAGE CORPORATION OF NOVA SCOTIA, HALIFAX

Distribution of Earnings

	1923	1924	1925
Earnings	$ 81,807	$ 87,806	$ 93,526
Interest—			
Deben., etc.	$ 14,800	$ 17,950	$ 20,545
Deposits	1,298	1,387	1,524
Cap. calls	549	429	328
Expenses	13,796	11,537	12,765
Directors	1,150	1,150	1,600
Written off	1,500	5,000	.....
Taxes	6,018	6,574	6,717
	$ 39,111	$ 44,027	$ 43,479
Net profits	$ 42,696	$ 43,779	$ 50,047
Bal. forward	111	290	575
Prem. on stocks..	249	639	597
	$ 43,056	$ 44,708	$ 51,219
Distribution—			
Dividends	$ 32,766	$ 34,132	$ 35,936
Reserve	10,000	10,000	14,000
Balance	290	575	1,283
	$ 43,056	$ 44,708	$ 51,219

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$305,503	$21,022	6	9.0	7.7
1914	331,130	24,151	6	8.6	7.5
1915	350,254	27,824	6	9.0	7.4
1916	384,310	29,611	6	9.0	7.0
1917	453,276	31,843	6	7.8	6.2
1918	499,146	38,843	6	8.4	6.9
1919	507,654	43,875	6	9.1	7.4
1920	513,541	39,017	6	7.9	6.3
1921	521,192	39,756	6	7.9	6.2

(Continued on page 22).

Satisfactory Service Guaranteed

PRUDENTIAL TRUST COMPANY
LIMITED

Trustees, Executors, Administrators,
Real Estate and Insurance,
Safety Deposit Vaults.

W. G. ROSS,
Chairman of the Board

B. HAL. BROWN,
President and General Manager

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Montreal

TORONTO OFFICE
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Branches throughout Canada and in London, Eng.

The Premier Trust Company

Head Office: 428 Richmond St., London, Ont.
Branch Office: 32 London St. W., Windsor, Ont.

Acts as Administrator, Executor, Trustee, Committee, of a Person and all other functions of a Trust character. In making your Will see that The Premier Trust Co. is named as Executor and Trustee, thereby affording protection to your Estate.

Consult us about the creation of a "Living Trust" and what it means to you and your dependents.

JAMES GRAY, President
A. A. CAMPBELL, General Manager
WM. SPITTAL, Sec.-Treas.

SPECIALIZED TRUST COMPANY KNOWLEDGE IN THE PROVINCE OF QUEBEC

EXECUTORS AND TRUSTEES

HON. SIR H. LAPORTE, *President*
J. THEO. LE CLERC, *General Manager*

LA SOCIÉTÉ d' ADMINISTRATION GENERALE

(The General Administration Society)

MONTREAL EDMONTON REGINA VANCOUVER WINNIPEG

35 St. James Street, Montreal

Head Office Building, Montreal

THE ROYAL TRUST COMPANY

Executors and Trustees

Assets Under Administration,
$374,043,565.78

We beg to refer you to the statement of ASSETS ADMINISTERED by the Trust Companies of Canada which appears in this issue; and particularly to the figures relating to The Royal Trust Company.

BRANCHES:

Calgary
Edmonton
Halifax
Hamilton
Ottawa
Quebec
St. John, N.B.
St. John's, Nfld.
Toronto
Vancouver
Victoria
Winnipeg

The Mortgage Companies

(Continued from page 21)

1922	552,670	40,281	6	8.0	6.0
1923	562,944	42,696	6	7.9	6.0
1924	593,454	43,779	6	7.7	5.8
1925	620,884	50,047	6	8.3	6.3

NORTHERN CANADIAN MORTGAGE, WINNIPEG

Distribution of Earnings

	1923	1924	1925
Earnings	$52,573	$ 63,849	$ 68,468
Expenses	$ 12,281	$ 13,126	$ 13,117
Interest	4,993	9,825	14,159
Taxes	1,586	6,631	9,127
	$ 18,860	$ 29,582	$ 36,403
Net profits	$ 33,713	$ 34,267	$ 32,065
Bal. forward ...	64,246	63,434	53,356
Adjust. of int...	...	...	103
	$ 97,959	$ 97,701	$ 85,524
Dividends	$ 33,706	$ 34,334	$ 35,181
Reserve	......	10,000	......
Balance	63,434	53,357	50,343
Legal exp.	819	.....	.....
	$ 97,959	$ 97,701	$ 85,524

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profit Av. Cap.	Earn. Rate
x1918	$535,578	$7,336	.	1.3	1.2
x1919	545,476	1,3982	3	2.6	2.2
x1920	552,284	17,880	4	3.2	2.7
x1921	552,355	18,250	.	2.4	2.0
x1922	560,987	14,204	.	2.5	2.1
1923	572,686	33,713	6	6.0	4.9
1924	587,282	34,267	6	5.9	4.9
1925	600,383	32,065	6	5.4	4.5

xFor six months.

NORTHERN MORTGAGE CO. OF CANADA, WINNIPEG

Distribution of Earnings

	1923	1924	1925
Earnings	$130,497	$123,126	$101,374
Bal. forward	282,148	292,772	295,456
	$412,645	$415,898	$396,930
Distribution—			
Dividends	$119,872	$120,442	$100,653
Bal. forward .	292,778	295,456	111,205
Reserve	.....	......	184,972
	$412,645	$415,898	$396,830

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	....$1,394,058	$87,288	5	7.4	7.1
1914	 1,617,392	109,419	5	7.5	7.1
1915	 1,726,873	113,359	5	6.7	6.2
1916	 1,814,322	113,057	5	6.5	6.2
1917	 1,848,345	103,903	5	5.7	5.4
1918	 1,881,675	114,860	5	6.1	5.7
1919	 1,914,692	121,781	5	6.4	5.9
1920	 1,925,599	133,883	5	6.9	6.3
1921	 1,957,903	137,485	6	7.0	6.2
1922	 1,983,521	142,579	6	7.2	6.3
1923	 2,003,387	130,497	6	6.5	5.7
1924	 2,008,282	123,126	6	6.1	5.3
1925	 2,016,345	101,374	5	5.0	4.4

NORTH OF SCOTLAND CANADIAN MORTGAGE CO., SCOTLAND

Distribution of Earnings

	1923	1924	1925
Profits	$303,770	$307,800	$269,605
Bal. forward ..	168,355	158,885	181,315
	$472,125	$466,685	$450,920
Income tax	$ 99,555	$ 99,970	$ 87,940
Tax arrears ...	25,000	......	......
	$347,570	$366,715	$362,980
Dividends	$ 88,840	$ 89,410	$ 91,645
Balance	258,730	277,305	271,335
	$347,570	$366,715	$362,980

——— In the foregoing analysis, the company's figures in sterling have been converted on the basis of $5 to the £.

N. S. SAVINGS, LOAN & BUILDING SOCIETY, HALIFAX

Distribution of Earnings

	1923	1924	1925
Receipts	$906,713	$953,501	$1,011,447
Bal. forward ...	18,391	40,863	29,914
	$925,104	$994,364	$1,041,361
Disbursements—			
Adv. to share.	$379,613	$343,904	$383,015
W'draw of sh's	111,072	190,447	162,211
Deposits repaid	68,763	62,569	34,155
Deb. repaid ...	168,040	248,637	219,039
Property acc. .	3,925	9,685	36,234
Dom. bonds ..	69,910	.....	124,211
Insur. prem....	1,298	3,321	2,701
License & taxes	1,869	1,932	1,948
Dom taxes ...	11,149	7,996	7,790
Expenses	20,101	20,959	21,512
Cash in bank .	40,864	29,914	20,150
Loans account	48,500	75,000	28,400
	$925,104	$994,364	$1,041,361

ONTARIO LOAN AND DEBENTURE CO., LONDON, ONT.

Distribution of Earnings

	1923	1924	1925
*Earnings	$297,075	$299,097	$296,123
Income tax	$ 31,495	$ 25,757	$ 26,878
Net profits	$265,580	$273,340	$269,245
Bal. forward ...	49,450	47,530	53,370
	$315,030	$320,870	$322,615
Distribution—			
Dividends	$192,500	$192,500	$192,500
Reserve	75,000	75,000	75,000
Balance	47,530	53,370	55,115
	$315,030	$320,870	$322,615

*After payment of interest, expenses and taxes, etc.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	....$1,750,000	$253,733	8½	14.5	7.8
1914	 1,750,000	254,788	9	15.0	7.7
1915	 1,750,000	264,365	9	15.5	7.7
1916	 1,750,000	261,082	9	15.3	7.4
1917	 1,750,000	254,610	9	15.0	7.0
1918	 1,750,000	250,739	9	14.7	6.5
1919	 1,750,000	246,182	9	14.4	6.3
1920	 1,750,000	251,029	9+1	14.8	6.4
1921	 1,750,000	289,591	10	16.5	7.0
1922	 1,750,000	270,706	10+1	15.9	6.4
1923	 1,750,000	265,580	10+1	15.6	6.2
1924	 1,750,000	273,340	11	16.0	6.2
1925	 1,750,000	269,245	11	15.3	6.0

OWEN SOUND LOAN & SAVINGS CO., OWEN SOUND

Distribution of Earnings

	1923	1924	1925
Earnings	$ 15,506	$ 15,827	$ 17,699
Interest	$ 3,636	$ 3,931	$ 3,947
Exp. & tax. ...	3,456	3,586	3,272
	$ 7,092	$ 7,517	$ 7,219
Net profits	$ 8,414	$ 8,310	$ 10,480
Dividends	$ 8,097	$ 8,071	$ 8,085
Contingent	317	238	2,395
	$ 8,414	$ 8,310	$ 10,480

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Cap.	Earn. Rate
1918	$123,377	$8,251	6	6.7	6.3
1919	128,502	8,105	6	6.4	6.1
1920	128,684	8,267	6	6.4	6.1
1921	128,742	8,128	6	6.3	6.0
1922	129,104	8,211	6	6.3	6.0
1923	129,270	8,414	6	6.5	6.1
1924	129,463	8,310	6	6.4	6.1
1925	129,539	10,480	6	8.1	7.5

PEOPLE'S LOAN & SAVINGS CO., LONDON, ONT.

Distribution of Earnings

	1923	1924	1925
Profits	$ 32,018	$ 31,788	$ 30,686
Written off	569	1,168	334
	$ 31,447	$ 30,620	$ 30,352
Contingent	3,000	.....	.....
Bal. forward	3,196	4,593	2,845
	$ 37,643	$ 35,213	$ 33,197
Distribution—			
Dividends	$ 26,051	$ 27,368	$ 27,500
Reserve	7,000	5,000	3,000
Balance	4,593	2,845	2,697
	$ 37,644	$ 35,213	$ 33,197

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	.....$438,238	$28,218	6	6.5	6.0
1914	 451,873	30,176	6	6.7	6.2
1915	 463,621	29,840	6	6.5	5.9
1916	 474,394	31,690	6	6.7	6.3
1917	 480,877	29,855	6	6.2	5.7
1918	 482,954	30,312	5	6.3	5.7
1919	 486,720	31,654	5	6.5	5.9
1920	 439,388	28,392	5	6.0	5.2
1921	 494,101	29,229	5	5.9	5.2
1922	 496,008	31,698	5	6.4	5.5
1923	 496,246	31,447	5¼	6.4	5.4
1924	 500,000	30,620	5½	6.2	5.2
1925	 500,000	30,352	5½	6.0	5.0

PORT ARTHUR & FORT WILLIAM MORTGAGE CO., TORONTO

	1923	1924	1925
Earnings	$ 22,623	$ 24,772	$ 23,380
Expenses	8,646	7,946	7,785
Taxes	952	721	884
Int. on deb. stock	3,479	3,479	3,479
Written off	...	...	16,022
Real estate chgs.	1,633	388	...
	$ 14,710	$ 12,534	$ 28,170
Net profits	$ 7,913	$ 12,238	$ 4,790
Other profits ..	857	...	5,345
Res. for doubt. loans	$8,770	$ 12,238	$ 555

REAL ESTATE LOAN CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$ 92,240	$ 92,468	$ 97,335
Deductions—			
Interest	$ 27,558	$ 30,613	$ 34,442
Expenses	976	6,320	3,292
Management ..	14,314	14,132	15,867
Taxes	5,828	5,025	5,828
	$ 48,676	$ 56,090	$ 59,429
Net earnings ...	$ 43,564	$ 36,378	$ 37,906
Bal. forward	6,441	3,805	3,983
	$ 50,005	$ 40,183	$ 41,889
*Less	1,200	1,200	1,200
	$ 48,805	$ 38,983	$ 40,689
Distribution—			
Dividends	$ 35,000	$ 35,000	$ 35,000
Reserve	5,000	.....	.....
Balance	3,805	3,983	5,689
Real estate res.	5,000	.....	.....
	$ 48,805	$ 39,983	$ 40,689

*Voted to president and vice-president.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	.....$500,000	$57,258	7	11.4	8.6
1914	 500,000	57,621	7	11.5	8.5
1915	 500,000	56,695	7	11.3	8.1
1916	 500,000	55,169	7	11.0	7.7
1917	 500,000	53,579	7	10.7	7.2
1918	 500,000	39,881	7	8.0	5.2
1919	 500,000	36,217	7	7.2	5.0
1920	 500,000	40,062	7	8.0	5.5
1921	 500,000	47,400	7	9.4	6.3
1922	 500,000	42,239	7	8.4	5.5
1923	 500,000	43,564	7	8.7	5.6
1924	 500,000	36,378	7	7.2	4.7
1925	 500,000	37,906	7	7.5	4.9

ROYAL LOAN AND SAVINGS CO., BRANTFORD

Distribution of Earnings

	1923	1924	1925
Earnings	$172,678	$175,959	$191,920
Interest	$ 65,168	$ 67,006	$ 74,338
Expenses	24,944	24,432	26,616
Income tax	5,500	5,500	5,500
	$ 95,612	$ 96,938	$106,454
Net profits	$ 77,066	$ 79,021	$ 85,466
Bal. forward ...	14,535	17,601	26,622
	$ 91,601	$ 96,622	$112,088
Distribution—			
Dividends	$ 54,000	$ 60,000	$ 60,000
Reserve	20,000	10,000	10,000
Balance	17,601	26,622	42,088
	$ 91,601	$ 96,622	$112,088

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	.....$581,700	$66,241	7	11.4	7.4
1914	 585,250	57,814	7½	9.9	6.1
1915	 586,200	56,524	8	9.7	5.9
1916	 600,000	60,566	8	10.2	6.3
1917	 600,000	65,560	8	10.9	6.6
1918	 600,000	72,921	8	12.1	7.2
1919	 600,000	79,750	9	13.2	7.7
1920	 600,000	70,806	9	11.8	6.6
1921	 600,000	71,939	9	11.9	6.6
1922	 600,000	72,373	9	12.0	6.5
1923	 600,000	77,066	9	12.0	6.8
1924	 600,000	79,021	10	13.1	6.9
1925	 600,000	85,466	10	14.2	7.3

SASKATCHEWAN LOAN & INVESTMENT CO., MOOSE JAW

Distribution of Earnings

	1923	1924	1925
Earnings	$ 29,720	$ 29,163	$ 28,228
Expenses	4,992	4,823	4,858
Income tax	2,251	2,060	2,105
Writ. off mtge..	......	......	1,724
	$ 7,243	$ 6,893	$ 8,687
Net profits	$ 22,477	$ 22,270	$ 19,541
Def. profits	......	......	947
Bal. forward ...	10,319	10,875	10,826
Pay. on stock ..	......	......	604
	$ 32,796	$ 33,145	$ 31,918
Distribution—			
Dividends	21,921	22,319	22,508
Balance	10,875	10,826	9,410
	$ 32,796	$ 33,145	$ 31,918

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	.....$314,243	$23,667	*7+5	7.6	6.7
1919	 333,210	23,080	*7+5	6.9	6.0
1920	 339,189	24,071	*7+5	7.1	6.3
1921	 341,812	17,110	†7+4	5.0	4.5
1922	 345,036	25,465	7	7.4	6.5
1923	 351,338	22,477	7	6.4	6.1
1924	 352,475	22,270	7	6.3	5.5
1925	 353,649	19,544	7	6.0	4.8

*7 per cent. paid on permanent stock and 5 per cent. on accumulative permanent stock.

† 7 per cent. on permanent stock and 4 per cent. on accumulative permanent stock.

SECURITY LOAN AND SAVINGS CO., ST. CATHARINES, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 90,781	$ 94,348	$100,475
Interest	21,821	23,845	27,067
Taxes	7,466	7,502	7,931
Expenses	11,919	12,059	12,159
	$ 41,206	$ 43,406	$ 47,156
Net profits	$ 49,575	$ 50,942	$ 53,319
Bal. forward ...	1,583	3,972	2,909
Prem. on stock..	280	420	320
Other profits ...	.....	156	.....
	$ 51,438	$ 55,490	$ 56,548
Distribution—			
Dividends	$ 37,466	$ 37,581	$ 37,772
Reserve	10,000	15,000	15,000
Balance	3,972	2,909	3,776
	$ 51,438	$ 55,490	$ 56,548

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	.....$450,250	$34,811	5	8.2	7.1
1914	 496,575	39,468	5	8.3	7.2
1915	 500,000	41,278	6	9.1	7.6
1916	 521,000	46,623	6	9.2	7.6
1917	 524,200	44,378	6	8.5	7.0
1918	 524,200	47,022	6	9.0	7.1
1919	 532,300	47,357	6	9.1	7.0
1920	 532,300	43,592	6	8.2	6.3
1921	 532,300	43,707	6½	8.2	6.1
1922	 534,700	48,993	7	9.2	6.7
1923	 536,100	49,575	7	9.3	6.7
1924	 538,200	50,942	7	9.5	6.7
1925	 539,800	53,319	7	9.8	6.8

THE SHERBROOKE LOAN & MORTGAGE CO., SHERBROOKE

Distribution of Earnings

	1923	1924	1925
Earnings	$ 59,692	$ 65,127	$ 72,778
Interest	20,329	22,825	27,048
Expenses	11,944	14,045	14,555
	$ 32,273	$ 36,870	$ 41,603
	$ 27,419	$ 28,257	$ 31,175
Prov. for inc. tax	2,001	2,114	2,280
	$ 25,418	$ 26,143	$ 28,895
Bal. forward ...	2,332	5,749	6,891
Surp. on bonds .	...	...	215
	$ 27,750	$ 31,892	$ 36,001
Dividends	$ 15,000	$ 15,000	$ 15,000
Reserve	7,000	10,000	15,000
Balance	5,750	6,891	6,001
	$ 27,750	$ 31,892	$ 36,001

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Cap.	Earn. Rate
1913	$165,000	$12,337	6	7.4	...
1914	165,000	12,106	6	7.3	...
1915	165,000	12,239	6	7.4	...
1916	165,000	13,710	6	8.3	...
1917	165,000	14,671	6	9.0	...
1918	165,000	13,165	6	8.0	...
1919	165,000	14,244	6	8.6..	...
1920	165,000	15,578	6	9.4	...
1921	200,000	18,791	6	9.4	7.9
1922	250,000	24,284	6	9.7	8.4
1923	250,000	27,418	6	10.9	8.7
1924	250,000	28,257	6	11.3	8.6
1925	250,000	31,176	6	12.4	9.1

SOCIETE DE PRETS ET PLACEMENTS, QUEBEC

Distribution of Earnings

	1923	1924	1925
Earnings	$ 62,113	$ 70,115	$ 78,144
Interest	$ 5,166	$ 6,187	$ 5,644
Taxes	5,373	6,422	6,998
Expenses	11,108	10,690	11,694
	$ 21,647	$ 23,299	$ 24,336
Net profits	$ 40,466	$ 46,816	$ 53,808
Bal. forward ...	4,409	6,107	5,228
	$ 44,875	$ 52,923	$ 59,036
Distribution—			
Dividends	$ 33,468	$ 38,435	$ 43,754
Reserve	5,300	9,260	10,440
Balance	6,107	5,228	4,841
	$ 44,875	$ 52,923	$ 59,036

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1923	.....$411,900	$40,466	8+1	10.9	5.8
1924	 488,600	46,816	8+1	10.9	6.0
1925	 500,000	53,808	8+1	11.0	6.2

SOUTHERN LOAN AND SAVINGS CO., ST. THOMAS

Distribution of Earnings

	1923	1924	1925
Earnings	$176,049	$182,101	$193,590
Expense—			
Interest	$ 65,565	$ 69,268	$ .....
Expenses	13,897	14,727	.....
Directors	1,188	.....	.....
Taxes	11,312	11,397	.....
Commissions ..	2,644	3,219	.....
Written off ..	1,000	983	.....
Appro. for loss	.....	2,485	.....
	$ 95,606	$102,079	*$107,924
Net profits	$ 80,443	$ 80,022	$ 85,666
Bal. forward ...	16,675	19,118	21,140
	$ 97,118	$ 99,140	$106,806
Distribution—			
Dividends	$ 63,000	$ 63,000	$ 63,000
Reserves	15,000	15,000	20,000
Balance	19,118	21,140	23,807
	$ 97,118	$ 99,140	$106,807

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	.....$907,500	$69,994	6	7.7	6.5
1914	 907,950	72,202	6	8.0	6.6
1915	 908,950	73,670	6	8.2	6.6
1916	 908,950	72,416	6	8.0	6.6
1917	 900,000	74,080	6	8.2	6.7
1918	 900,000	77,769	6	8.6	7.0
1919	 900,000	78,057	6+1	8.6	6.9
1920	 900,000	77,763	6+1	8.6	6.5
1921	 900,000	77,499	6+1	8.6	6.4
1922	 900,000	80,636	6+1	8.9	6.6
1923	 900,000	80,443	6+1	8.9	6.4
1924	 900,000	80,023	6+1	8.8	6.3
1925	 900,000	85,666	6+1	9.5	6.6

*Includes interest, expenses, write-offs, etc.

TORONTO MORTGAGE CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$232,877	$238,832	$235,553
Interest—			
Sterling debs...	$ 79,749	$ 80,789	$ 79,847
Currency debs.	12,543	12,371	12,939
Deposits	2,861	2,601	2,968
Charg. on money	7,880	6,775	6,581
Management	25,965	27,089	27,042
New machinery..	3,033	.....	.....
Taxes	9,228	9,347	10,517
	$141,259	$138,972	$139,894
Net profits	$ 91,618	$ 99,860	$ 95,659
Bal. forward ...	54,606	48,769	68,929
	$146,224	$148,629	$164,588
Distribution—			
Dividends	$ 72,455	$ 72,455	$ 72,455
Bonus	.....	7,245	7,245
Reserve	25,000	.....	50,000
Balance	48,769	68,929	34,887
	$146,224	$148,629	$164,588

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	.....$124,550	$86,841	8	12.0	7.3
1914	 724,550	90,437	8	12.6	7.5
1915	 724,550	93,038	8	13.0	7.4
1916	 724,550	95,140	8	13.1	7.8
1917	 724,550	90,822	8	12.6	6.9
1918	 724,550	89,542	8	12.4	6.7
1919	 724,550	90,173	8+1	12.5	6.7
1920	 724,550	93,386	9	12.9	6.7
1921	 724,550	91,396	9	12.6	6.4
1922	 724,550	88,286	10	12.2	5.9
1923	 724,550	91,618	10	12.7	6.0
1924	 724,550	99,860	10+1	13.7	6.5
1925	 724,550	95,659	10+1	13.2	6.0

TORONTO SAVINGS AND LOAN CO., PETERBOROUGH, ONT.

Distribution of Earnings

	1923	1924	1925
Profit	$129,822	$154,937	$156,848
Taxes	.....	6,107	6,608
Net profits	$129,822	$148,830	$150,240
Bal. forward ...	79,926	89,748	98,578
	$209,748	$238,578	$248,818
Distribution—			
Dividends	$120,000	$120,000	$140,000
Bonus	.....	20,000	.....
Bal. forward ..	89,748	98,578	8,818
Reserve	.....	.....	100,000
	$209,748	$238,578	$248,818

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	....$1,000,000	$157,102	10	15.7	8.4
1914	 1,000,000	135,658	10	13.5	7.0
1915	 1,000,000	141,668	10	14.2	7.3
1916	 1,000,000	148,485	10	14.8	7.5
1917	 1,000,000	150,554	10	15.0	7.4
1918	 1,000,000	147,903	10	14.7	7.1
1919	 1,000,000	148,389	10+4	14.8	7.0
1920	 1,000,000	155,825	12+2	15.5	7.4
1921	 1,000,000	156,856	12+2	15.6	7.4
1922	 1,000,000	144,251	12+2	14.4	6.6
1923	 1,000,000	129,822	12	12.9	5.9
1924	 1,000,000	148,830	12+2	14.8	6.8
1925	 1,000,000	150,240	14	15.0	6.5

THE TRUST & LOAN CO. OF CANADA

Distribution of Earnings

	1923	1924	1925
Income	$1,568,340	$1,512,915	$1,548,730
Earnings ......$	532,550	$ 398,715	$ 445,430
Distribution—			
Stat. res. ...$	63,775	$	$ 20,215
Dividends	270,000	270,000	202,500
Deduct ....$	333,775	$ 270,000	$ 222,715
Balance ....$	198,775	$ 128,715	$ 222,715
Previous	377,250	339,775	265,990
	$ 576,025	$ 468,490	$ 488,705

Rate of Earnings

Year	Paid-up Cap.	Earnings	Div.
1913	$3,000,000	$620,259	9
1914	3,000,000	620,235	9
1915	3,000,000	607,297	8
1916	3,000,000	625,020	10
1917	3,000,000	621,470	10
1918	3,000,000	634,460	12½
1919	3,000,000	550,310	15
1920	3,000,000	592,875	15
1921	6,750,000	555,130	6½
1922	6,750,000	732,855	7
1923	6,750,000	532,550	7½
1924	6,750,000	398,715	6
1925	6,750,000	445,430	6

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

WESTERN CANADA INVESTMENT, LONDON, ENG.

Distribution of Earnings

To June 30—	1923	1924	1925
Net profits	$45,700	$42,015	$31,540
Bal. forward	35,680	39,250	15,020
	$81,380	$81,265	$46,560
Pref. dividend ..	$25,000	$25,000	$25,000
Ord. dividend ...	12,500	6,250	6,250
Reserve	5,000	.....	.....
Contingent	.....	35,000	.....
Balance	38,880	15,015	15,310
	$81,380	$81,265	$46,560

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

WESTERN HOMES, WINNIPEG

Distribution of Earnings

	1923	1924	1925
Profits	$48,974	$57,947	$66,670
Bal. forward ...	24,241	27,010	31,611
	$73,215	$84,957	$98,281
Divs. & inc. tax.	$46,205	$53,346	$67,409
Balance	27,010	31,611	30,872
	$73,215	$84,957	$98,281

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1920	.....$337,469	$28,403	7	8.4	8.2
1921	 448,185	27,897	7	6.2	6.0
1922	 592,072	44,295	7	7.5	7.2
1923	 692,552	48,974	7	7.0	6.8
1924	 799,556	57,947	7	7.2	7.0
1925	 911,476	66,670	7	7.3	7.0

The Trust Companies

ACADIA TRUST CO., TRURO, N.S.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 36,621	$ 40,609	$ 43,887
Expenses	7,968	8,871	9,911
Profits	$ 28,653	$ 31,738	$ 33,976
Bal. forward ...	56,109	84,762	116,500
Balance	$ 84,762	$116,500	$150,476

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1922	.....$200,000	$27,727	..	13.8	6.4
1923	 200,000	28,653	..	14.3	6.2
1924	 200,000	31,738	..	15.8	6.5
1925	 200,000	33,976	..	16.9	5.5

BRANTFORD TRUST CO., BRANTFORD

Distribution of Earnings

	1923	1924	1925
Earnings	$ 25,077	$ 26,457	$ 26,566
Taxes	$ 2,805	$ 2,609	$ 2,850
Expenses	4,086	4,056	4,493
	$ 6,891	$ 6,665	$ 7,343
Net profits	$ 18,186	$ 19,792	$ 19,223
Bal. forward ...	3,149	3,335	5,126
	$ 21,335	$ 23,127	$ 24,349
Distribution—			
Dividends	$ 18,000	$ 18,000	$ 18,000
Balance	3,335	5,127	6,349
	$ 21,335	$ 23,127	$ 24,349

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	.....$300,000	$17,910	5	6.0	5.8
1914	 300,000	19,791	5½	6.6	6.3
1915	 300,000	19,507	6	5.6	6.2
1916	 300,000	19,520	6	6.6	6.2
1917	 300,000	19,750	6	6.7	6.4
1918	 300,000	19,056	6	6.3	6.0
1919	 300,000	18,588	6	6.3	6.0
1920	 300,000	19,231	6	6.4	6.0
1921	 300,000	18,999	6	6.3	6.0
1922	 300,000	17,716	6	5.9	5.5
1923	 300,000	18,186	6	6.0	5.6
1924	 300,000	19,792	6	6.5	6.1
1925	 300,000	19,223	6	6.4	6.0

BRITISH CANADIAN TRUST CO., LETHBRIDGE

Distribution of Earnings

	1923	1924	1925
Earnings	$ 9,409	$ 10,012	$ 9,160
Expenses	5,193	5,495	4,945
Income tax	.....	114	172
Net profit	$ 4,216	$ 4,448	$ 4,043
Bal. forward ...	1,031	1,036	1,368
	$ 5,248	$ 5,439	$ 5,411
Distribution—			
Dividends	$ 3,612	$ 3,680	$ 3,776
Reserve	600	390	.....
Balance	1,036	1,369	1,635
	$ 5,248	$ 5,439	$ 5,411

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1920	......$42,071	$3,209	6+2	7.6	6.1
1921	 43,385	4,261	6+2	9.9	8.1
1922	 44,937	4,671	6+2	10.6	8.8
1923	 45,903	4,216	6+2	9.3	7.8
1924	 46,786	4,443	6+2	9.6	7.9
1925	 48,126	4,043	6+2	8.6	7.0

CAN. GUARANTY TRUST CO., BRANDON

Distribution of Earnings

	1923	1924	1925
Net profits	$ 5,189	$ 6,027	$ 15,168
Bal. forward ...	6,840	12,029	2,056
	$ 12,029	$ 18,056	$ 17,224
Distribution—			
Dividends	$	$	$ 8,994
Contingent ...	.....	16,000	2,000
Balance	12,029	2,056	6,230
	$ 12,029	$ 18,056	$ 17,224

(Continued on page 23)

If you are acting in the capacity of Executor—

and desire to be relieved of the detail work of the Estate, we would be pleased to act as your Agent. The law gives you the right to employ us, and our charges are very moderate.

Consultations Solicited.

Montreal Trust Company

11 Place d'Armes, Montreal

Sir Herbert S. Holt, *President* A. J. Brown, K.C., *Vice-President*
F. G. Donaldson, *General Manager*

The British Mortgage and Trust Corporation of Ontario

Stratford

(Formerly The British Mortgage Loan Company)

Established 1877

Granted Trust Company Powers 1926

Authorized to act as executor, trustee, etc.
Receives money on deposit and for guaranteed investment.
All assets are invested in Government and Municipal bonds and first mortgages on Ontario properties.

HON. NELSON MONTEITH, President
W. H. GREGORY, Manager.

THE TORONTO MORTGAGE CO.

13 TORONTO ST., TORONTO.

THOMAS H. WOOD, President. A. M. M. KIRKPATRICK, Vice-President.

Present Cash Value of Total Assets - - - $3,512,400.00
Surplus, Over all Liabilities to Public - - - $1,584,900.00

4% *Allowed on Savings Deposits, Withdrawable by Cheque.*

5% *Paid on Debentures in all Denominations for two to five Years.*

LEGAL INVESTMENT FOR TRUST FUNDS

WALTER GILLESPIE, MANAGER

ST. THOMAS, Ontario

The Southern Loan and Savings Company

Established 1870

Paid-up Capital, $900,000 Reserve, $365,000 Undivided Profits, $23,807.12

DIRECTORS: Geo. K. Crocker, President. J. A. Bell, Vice-President. J. H. Hopkins, 2nd Vice-President. C. W. Marlatt, J. B Potts, E. A. Miller, C. St. C. Leitch, K.C.

MANAGER—J. W. Stewart. SECRETARY—T. J. Nicol.

Balance Sheet *31st December, 1925*

LIABILITIES

To the Public:		
Deposits and Accrued Interest	$546,055.61	
Debentures and Accrued Interest	1,046,677.93	
Retained to pay Prior Mortgage	15,066.15	
Due to Banks	242.39	
		1,608,042.08
To the Shareholders:		
Capital	900,000.00	
Reserve	365,000.00	
Dividend No. 45, and Bonus	36,000.00	
Balance Forward	23,807.12	
	1,324,807.12	
	2,932,849.20	

J. W. STEWART, Manager.

ASSETS

Office Premises	$24,000.00
Mortgages—	
Principal	2,518,958.78
Interest due and accrued	80,504.83
Real Estate held for sale	18,449.97
Loans on Company's Debentures and Govt. Bonds	4,372.33
Bonds and Debentures Owned—	
Imperial War Loan	1,000.00
Dominion of Canada	253,845.87
Province of Ontario	12,210.70
City of Galt	10,137.13
Cash on hand	9,369.59
	$2,932,849.20

The Trust Companies

(Continued from page 22)

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1914	$190,667	$17,462	.	9.4	9.3
1915	191,242	21,249	5	11.2	10.2
1916	192,652	13,188	5	9.0	7.0
1917	194,119	14,076	5	7.5	7.1
1918	198,952	14,897	5	7.7	6.8
1919	240,925	17,761	6	8.8	7.7
1920	263,637	22,667	6	9.0	7.5
1921	267,964	21,063	6	8.0	6.6
1922	270,045	17,278	6	6.4	5.3
1923	272,151	5,189	.	2.0	1.6
1924	296,114	6,027	.	2.0	1.7
1925	299,834	15,168	3	5.0	4.3

CANADA PERMANENT TRUST CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Net profits	$ 74,552	$ 80,146	$ 85,398
Bal. forward	1,551	6,103	16,249
Balance	$ 76,103	$ 86,249	$101,647
Distribution—			
Dividends	$ 50,000	$ 50,000	$ 50,000
Reserve	20,000	20,000	25,000
Balance	6,103	16,249	26,647
	$ 76,103	$ 86,249	$101,647

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	$ 259,000	$19,412	.	7.5	6.2
1919	1,000,000	63,672	4	7.3	6.1
1920	1,000,000	75,289	5	7.5	6.7
1921	1,000,000	65,134	5	6.5	5.7
1922	1,000,000	70,833	5	7.0	6.1
1923	1,000,000	74,552	5	7.4	6.3
1924	1,000,000	80,146	5	8.0	6.6
1925	1,000,000	85,398	5	8.5	6.8

CANADA TRUST CO., LONDON, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$103,278	$124,298	$129,375
Taxes	$ 9,260	$ 16,955	$ 20,527
Net profits	$ 94,018	$107,343	$108,848
Bal. forward	12,015	1,041	18,393
	$106,033	$108,384	$127,241
Distribution—			
Dividends	$ 79,922	$ 89,991	$ 90,000
Reserve	25,000	.....	25,000
Balance	1,041	18,393	12,241
	$106,033	$108,384	$127,241

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$672,782	$63,990	5	9.5	6.3
1914	1,000,000	101,068	6	10.1	10.0
1915	1,000,000	117,009	6	11.7	8.4
1916	1,000,000	121,692	6	12.1	8.6
1917	1,000,000	126,174	7	12.6	8.4
1918	1,000,000	125,319	8	12.5	8.0
1919	1,000,000	120,147	8	12.0	7.5
1920	1,000,000	144,873	8+4	14.4	8.8
1921	1,000,000	157,724	8+4	15.7	9.1
1922	1,000,000	83,629	8	8.3	5.0
1923	1,000,000	94,018	8	9.4	5.4
1924	1,000,000	107,343	9	10.7	6.3
1925	1,000,000	108,848	9	10.8	6.1

CAPITAL TRUST CORP., OTTAWA

Distribution of Earnings

	1923	1924	1925
Earnings	$ 42,001	$ 42,528	$ 37,284
Bal. forward	34,241	56,242	45,399
	$ 76,242	$ 98,770	$ 82,683
Distribution—			
Dividends	$	$ 23,371	$ 23,512
Contingent	10,000	15,000	10,000
Off. deb. & secs.	10,000	15,000	15,000
Balance	56,242	45,399	34,171
	$ 76,242	$ 98,770	$ 82,683

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	$404,065	$19,354	4	4.8	4.4
1919	488,241	26,375	4	5.4	5.0
1920	546,063	27,256	4	5.6	5.0
1921	564,404	20,209	4	3.8	3.3
1922	580,578	41,344	.	7.1	6.4
1923	590,806	42,001	.	7.1	6.8
1924	596,569	42,528	4	7.3	6.1
1925	602,648	37,284	4	6.3	5.8

CHARTERED TRUST AND EXECUTOR CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Profits	$ 20,120	$ 39,802	$ 57,607
Prov. for tax	3,047	7,500	2,892
Taxes	.....	4,066	3,958
Net profits	$ 17,073	$ 28,236	$ 30,757
Bal. forward	10,837	1,830	3,814
Prem. on stock	87	.....	.....
Trans. from res.	10,000	10,000	.....
	$ 37,997	$ 40,066	$ 34,571
Distribution—			
Dividend	$ 36,167	$ 36,251	$ 28,636
Balance	1,830	3,814	5,935
	$ 37,997	$ 40,066	$ 34,571

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1919	$446,862	$48,368	7	11.5	9.3
1920	479,937	37,644	7	8.0	7.0
1921	484,456	35,670	7	7.4	6.6
1922	515,556	45,776	7	9.1	8.0
1923	516,802	17,073	7	3.3	3.0
1924	519,303	28,236	7	5.4	4.9
1925	520,882	30,757	5½	5.9	5.3

CONSOLIDATED TRUSTS CORP., LONDON, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 14,075	$ 13,481	$ 13,969
Taxes	2,048	2,160	1,330
Net profits	$ 12,027	$ 11,321	$ 12,639
Bal. forward	4,774	3,434	4,755
	$ 16,801	$ 14,755	$ 17,394
Distribution—			
Reserve	$ 10,000	$ 10,000	$ 15,000
Balance	3,434	4,755	2,394
Contingent	3,367	.....	.....
	$ 16,801	$ 14,755	$ 17,394

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	$255,837	$ 3,903	.	1.5	1.3
1919	256,012	11,418	.	4.5	4.0
1920	256,012	9,863	.	3.8	3.4
1921	257,012	11,760	.	4.7	3.9
1922	257,212	12,366	.	5.0	4.0
1923	257,212	12,027	.	4.7	4.0
1924	257,212	11,321	.	4.4	3.7
1925	257,998	12,639	.	4.9	3.5

CROWN TRUST COMPANY, MONTREAL

Distribution of Earnings

	1923	1924	1925
Profits	$ 52,588	$ 55,246	$ 50,181
Bal. forward	22,949	20,537	20,783
	$ 75,537	$ 75,783	$ 76,965
Dividends	30,000	30,000	30,000
Balance	20,537	20,783	21,965
Reserves	25,000	25,000	25,000
	$ 75,537	$ 75,783	$ 76,965

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	$500,000	$34,754	6	6.9	6.3
1919	500,000	44,326	6	8.8	7.3
1920	500,000	55,100	6	11.0	9.8
1921	500,000	41,998	6	8.3	6.9
1922	500,000	50,561	6	10.1	8.2
1923	500,000	52,588	6	10.5	8.2
1924	500,000	55,246	6	11.0	8.2
1925	500,000	56,181	6	11.2	8.1

EASTERN TRUST COMPANY, HALIFAX

Distribution of Earnings

	1923	1924	1925
Earnings	$124,968	$140,068	$140,061
Directors' fees	$ 12,750	$ 12,750	$ 9,250
Subscription	.....	2,000	1,000
Written off	1,074	.....	.....
Furniture	3,309	698	5,360
Taxes	14,956	14,764	16,752
Tax reserve	.....	.....	16,000
	$ 32,089	$ 30,212	$ 48,362
Net profits	$ 92,879	$109,856	$ 91,699
Bal. forward	17,831	10,710	20,565
	$110,710	$120,566	$112,264
Distribution—			
Dividends	$100,000	$100,000	$ 85,000
Div. reserve	.....	.....	20,000
Balance	10,710	20,565	7,264
	$110,710	$120,566	$112,264

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$ 904,000	$80,899	7	10.6	8.1
1914	931,000	78,244	8	8.9	7.6
1915	1,000,000	89,156	8	9.5	7.3
1916	1,000,000	91,000	8	9.2	7.2
1917	1,000,000	95,581	8	9.5	8.0
1918	1,000,000	101,679	8	10.1	8.0
1919	1,000,000	118,019	9	11.8	8.9
1920	1,000,000	102,348	9	10.2	7.6
1921	1,000,000	103,917	*10	10.3	7.6
1922	1,000,000	93,394	10	9.3	6.8
1923	1,000,000	92,879	10	9.2	6.8
1924	1,000,000	109,856	10	10.9	9.4
1925	1,000,000	91,699	8½	9.1	8.1

*Increased to 10 per cent. during the year.

FIDELITY TRUST CO., WINNIPEG

Distribution of Earnings

	1923	1924	1925
Earnings	$ 1,689	$ 2,180	$ 7,153
Written off	$ 700	$ 16,535	$ 6,838
Taxes	2,058	.....	.....
	$ 1,069	$ 14,355	$ 315
Bal. forward	20,152	19,083	4,728
Balance	$ 19,083	$ 4,728	$ 5,043

GENERAL ADMINISTRATION SOCIETY, MONTREAL

Distribution of Earnings

	1923	1924	1925
Profits	$ 33,839	$ 36,728	$ 40,002
Depreciation	.....	8,000	3,000
Net profits	$ 33,839	$ 28,728	$ 37,002
Bal. forward	155,323	40,162	44,890
	$189,162	$ 68,890	$ 81,892
Distribution—			
Dividends	$ 20,000	$ 20,000	$ 20,000
Bonus	125,000	.....	.....
Prov. for loss.	4,000	4,000	.....
Balance	40,162	44,890	61,892
	$189,162	$ 68,890	$ 81,892

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1923	$250,000	$33,839	8	13.5	6.9
1924	250,000	28,728	8	11.5	7.4
1925	250,000	37,002	8	14.8	9.4

THE GUELPH TRUST CO., GUELPH

Distribution of Earnings

	1923	1924	1925
Earnings	$ 29,794	$ 31,659	$ 29,484
Taxes	3,406	3,384	3,950
Net profits	$ 26,388	$ 28,275	$ 25,534
Bal. forward	9,074	10,513	13,838
Prem. on stock	50	.....	.....
	$ 35,512	$ 38,788	$ 39,372
Distribution—			
Dividends	$ 14,948	$ 14,950	$ 14,950
Reserve	10,050	10,000	10,000
Balance	10,514	13,838	14,423
	$ 35,512	$ 38,738	$ 39,373

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	$292,500	$22,032	5	7.6	7.3
1919	292,500	20,906	5	7.2	6.7
1920	292,500	23,649	5	8.1	7.6
1921	295,500	25,863	5	8.9	7.8
1922	298,500	26,831	5	9.2	7.8
1923	299,000	26,388	5	8.8	7.5
1924	299,000	28,275	5	9.3	7.6
1925	299,000	25,534	5	8.5	6.6

THE IMPERIAL CANADIAN TRUST CO., WINNIPEG

Distribution of Earnings

	1923	1924	1925
Profits	$ 30,385	$ 40,750	$ 13,467
Taxes	7,454	5,273	.....
Net profits	$ 22,931	$ 35,477	$ 13,467
Bal. forward	11,624	34,555	5,033
	$ 34,555	$ 70,032	$ 18,500
Distribution—			
Reserve	$.....	$ 65,000	$ .....
Balance	34,555	5,033	18,500
	$34 555	$ 70,033	$ 18,500

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1918	$912,500	$20,029	.	2.2	2.0
1919	930,185	41,045	2½	4.4	3.8
1920	946,349	64,160	5	6.8	5.9
1921	964,022	66,893	5	6.9	5.8
1922	979,299	52,341	5	5.4	4.5
1923	939,430	22,931	.	2.3	1.9
1924	989,430	35,477	.	3.5	2.9
1925	989,430	13,467	.	1.3	1.1

THE IMPERIAL TRUST CO. OF CANADA, TORONTO

Distribution of Earnings

	1923	1924	1925
Net profits	$ 5,266	$ 2,274	$ 14,330
Bal. forward	35,426	26,191	28,465
	$ 40,692	$ 28,465	$ 42,795
Distribution—			
Dividends	$ 14,501	$	$ 7,445
Balance	26,191	28,465	35,350
	$ 40,692	$ 28,465	$ 42,795

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1919	$205,526	$13,573	3	6.7	5.4
1920	214,179	22,857	6	11.4	8.4
1921	226,036	14,687	6	6.9	5.2
1922	238,183	26,447	6	12.0	8.8
1923	248,044	5,266	6	2.2	1.6
1924	248,164	2,274	.	0.9	4.4
1925	248,164	14,330	3	5.7	4.3

LONDON AND WESTERN TRUSTS CO., LONDON

Distribution of Earnings

	1923	1924	1925
Earnings	$ 85,199	$ 80,437	$ 84,020
Taxes	17,613	14,734	14,643
Net profits	$ 67,586	$ 65,703	$ 69,377
Balance	11,384	13,261	13,543
	$ 78,970	$ 78,964	$ 82,920
Distribution—			
Dividends	$ 35,000	$ 35,000	$ 35,000
Reserves	25,000	25,000	25,000
Balance	13,261	13,543	17,145
Dep. reserve	5,709	5,420	5,775
	$ 78,970	$ 79,964	$ 82,920

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$400,000	$37,368	6	9.5	8.6
1914	484,195	45,676	6½	9.7	9.4
1915	500,000	53,486	7	10.8	9.2
1916	500,000	51,651	7	10.3	8.2
1917	500,000	50,551	7	10.1	7.8
1918	500,000	53,113	7	10.6	8.0
1919	500,000	61,135	7	12.2	9.0
1920	500,000	64,069	7	12.8	9.1
1921	500,000	27,378	7	5.4	3.7
1922	500,000	102,161	7	20.4	12.1
1923	500,000	67,586	7	13.5	8.3
1924	500,000	65,703	7	13.1	7.8
1925	500,000	69,377	7	13.8	8.0

MONTREAL TRUST COMPANY, MONTREAL

Distribution of Earnings

	1923	1924	1925
Earnings	$260,112	$280,089	$303,567
Income tax	18,597	23,740	28,238
Subscription	2,000	2,000	2,000
Net profit	$239,515	$254,349	$273,329
Bal. forward	353,635	473,150	87,499
	$593,150	$727,499	$360,828
Distribution—			
Dividends	120,000	140,000	150,000
Reserve	.....	500,000	.....
Balance	473,150	87,499	210,828
	$593,150	$727,499	$360,828

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	Prof. A. Cap.	Earn. Rate
1920	$1,000,000	$201,297	10	20.1	9.8
1921	1,000,000	201,977	10	20.1	9.3
1922	1,000,000	220,943	12	22.0	9.8
1923	1,000,000	239,515	12	23.9	10.1
1924	1,000,000	254,349	12	25.4	8.5
1925	1,000,000	273,329	15	27.3	10.6

NATIONAL TRUST COMPANY, TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$316,660	$358,262	$375,693
Income tax	30,000	61,769	60,073
Net profits	$286,660	$296,493	$315,620
Bal. forward	157,880	204,540	121,646
	$444,540	$501,033	$437,266
Distribution—			
Dividends	$240,000	$270,000	$270,000
Off premises	....	109,386	.....
Balance	204,540	121,646	167,266
	$444,540	$501,032	$437,266

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$1,500,000	$252,022	10	16.8	8.7
1914	1,500,000	237,869	10	15.8	7.8
1915	1,500,000	218,902	10	14.9	7.2
1916	1,500,000	222,754	10	14.8	7.4
1917	1,500,000	226,080	10	15.0	7.4
1918	1,500,000	239,784	10	15.9	7.7
1919	1,500,000	247,440	10	16.4	8.0
1920	2,000,000	235,025	11	14.0	7.1
1921	2,000,000	276,865	12	13.8	6.9
1922	2,000,000	276,598	12	13.8	6.7
1923	2,000,000	286,660	12	14.3	6.9
1924	2,250,000	*296,493	12	13.1	6.3
1925	2,250,000	315,620	12	14.0	6.8

*Includes $109,386 paid for remodelling head office premises.

NORTHERN TRUSTS CO., WINNIPEG

Distribution of Earnings

	1923	1924	1925
Earnings	$104,141	$ 56,446	$ 69,848
Bal. forward	*66,680	50,822	74,249
Adjust. of int.	.....	11,981	.....
	$170,821	$119,249	$144,097
Distribution—			
Dividends	$120,000	$ 45,000	$ .....
Balance	50,822	74,249	144,097
	$170,822	$119,249	$144,097

*After deduction of staff bonus.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$1,498,510	$168,406	7	11.4	9.9
1914	1,500,000	166,092	8	11.1	9.0
1915	1,500,000	162,524	8	10.8	8.0
1916	1,500,000	154,113	8	10.3	8.2
1917	1,500,000	129,344	.	8.6	6.8
1918	1,500,000	127,697	8	8.5	6.6
1919	1,500,000	137,265	8	9.1	7.1
1920	1,500,000	136,448	8	9.0	7.0
1921	1,500,000	130,910	8	8.7	6.8
1922	1,500,000	133,215	8	8.8	7.0
1923	1,500,000	104,141	8	6.9	5.6
1924	1,500,000	56,446	3	3.7	3.4
1925	1,500,000	69,848	.	4.6	4.1

NOVA SCOTIA TRUST CO., HALIFAX

Distribution of Earnings

	1923	1924	1925
Profits	$ 27,368	$ 32,820	$ 38,695
Taxes	2,674	3,049	3,228
Directors' fees	2,000	2,200	2,200
Written off	842	4,312	9,788
Net profits	21,852	23,259	23,479
Prem. on stock	......	530	2,070
Bal. forward	7,212	8,670	8,037
	29,064	32,459	33,586
Distribution—			
Dividends	$ 20,394	$ 22,921	$ 23,478
Reserve	......	1,500	2,000
Balance	8,669	8,037	8,108
	$ 29,064	$ 32,450	$ 33,586

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1919	$236,675	$26,672	7	11.3	9.1
1920	240,000	24,146	7	10.4	9.0
1921	250,000	21,427	7	9.0	7.6
1922	300,080	21,172	7	8.4	6.7
1923	325,400	21,852	7	7.5	6.2
1924	331,000	23,259	7	7.1	6.0
1925	351,700	23,479	7	7.0	5.8

THE OCCIDENTAL TRUST CO., WAWANESA, MAN.

Distribution of Earnings

	1923	1924	1925
Earnings	$ 8,706	$ 8,915	$ .....
Expenses	$ 716	$ 691	$ ...
Taxes	356	884	...
	$ 1,072	$ 1,575	$ .....
Net profits	$ 7,634	$ 7,340	$ 6,675
Bal. forward	31,201	24,645	36,798
	$ 38,835	$ 41,985	$ 43,473
Distribution—			
Dividends	$ 5,779	$ 5,186	$ .....
Balance	33,056	36,798	43,473
	$ 38,835	$ 41,985	$ 43,473

PREMIER TRUST CO., LONDON

Distribution of Earnings

	1923	1924	1925
Earnings	$ 20,266	$ 22,976	$ 23,932
Expenses	3,719	5,099	5,218
Interest	4,483	5,963	7,989
Taxes	1,750	1,695	1,751
Written off	1,707	1,350	937
	11,659	14,107	15,895
Profits	$ 8,607	$ 8,869	$ 8,037
Bal. forward	86	1,114	1,053
	8,693	9,983	9,090
Distribution—			
Dividends	$ 7,578	$ 7,931	$ 8,293
Reserve	.....	1,000	.....
Balance	1,115	1,053	796
	$ 8,693	$ 9,984	$ 9,090

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1918	$115,660	$ 4,727	4	4.1	3.1
1919	123,560	6,823	4	5.7	5.2
1920	127,794	7,350	5	6.1	5.6
1921	131,171	7,168	5	5.4	5.0
1922	135,237	8,721	5¼	6.7	6.2
1923	139,857	8,607	5½	6.2	5.7
1924	148,293	8,869	5½	6.0	5.0
1925	160,000	8,037	5½	5.3	4.8

PRUDENTIAL TRUST CO., MONTREAL

Distribution of Earnings

	1923	1924	1925
Net profits	$ 2,343	$ 4,260	$ 823
Bal. forward	x3,713	x152,666	x152,906
	x$1,370	x$148,406	x$152,083
Home Bk. Settl't.	......	......	38,856
Res. for revalua.	78,152	4,500	42,145
Adjust. on stock	73,144	......	......
	x$152,666	x$152,906	x$233,084

xDeficit.

SASK. MORTGAGE & TRUST CORPORATION, REGINA

	1923	1924	1925
Profits	$ 24,496	$ 28,523	$ 33,967
Taxes	417	1,095	3,356
Res. for taxes	1,944	.....	.....
Writ. off trust loans	......	16,004	......
Alter. to bldg.	......	7,164	......
	$ 2,361	$ 24,263	$ 3,356
Net profits	$ 22,135	$ 4,260	$ 30,611
Bal. forward	19,499	8,754	2,691
	$ 41,634	$ 13,014	$ 33,302
Distribution—			
Dividends	$ 31,923	$	$ ......
Int. on stock	955	706	...
Reserve	...	9,617	30,000
Balance	8,754	2,691	3,302
	$ 41,633	$ 13,014	$ 33,302

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap	Earn. Rate
1918	$791,043	$54,413	6	7.8	6.8
1919	808,705	56,669	6	7.7	6.6
1920	824,070	50,944	6	6.6	5.7
1921	826,814	50,793	6	6.5	5.5
1922	829,427	45,568	3	5.7	4.9
1923	831,939	22,134	4	2.8	2.3
1924	833,875	4,260	.	0.5	0.4
1925	832,974	30,611	.	3.6	3.3

SASKATCHEWAN GENERAL TRUSTS CORP., REGINA

Distribution of Earnings

	1923	1924	1925
Profits	$ 12,735	$ 14,007	$ 16,624
Tax reserve	1,076	1,147	1,439
Net profits	11,659	12,860	15,185
Prem. on stock	1,054	58	200
Bal. forward	7,079	4,511	1,916
	$ 19,792	$ 17,429	$ 17,301
Distribution—			
Dividends	$ 10,281	$ 10,513	$ 10,655
Reserve	5,000	5,000	5,000
Balance	4,511	1,916	1,646
	19,792	17,429	17,301

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1919	$122,227	$ 8,546	6	8.1	6.0
1920	113,897	9,443	6	8.3	6.3
1921	131,421	8,779	6	7.2	5.1
1922	165,153	10,038	6	6.6	4.5
1923	173,716	11,659	6	6.8	4.6
1924	175,914	12,860	6	7.3	5.9
1925	178,412	15.185	6	8.5	5.9

THE STANDARD TRUSTS COMPANY, WINNIPEG

Distribution of Earnings

	1923	1924	1925
Earnings	$128,096	$124,154	$138,257
Expenses	x102,068	83,363	91,323

(Continued on page 24)

The Nova Scotia Trust Company

HALIFAX, N.S.

Executor Administrator Trustee

Trustee under the Bankruptcy Act

Corporate Trustee

First Mortgage Certificate

Organized 1912 — 5% GUARANTEED — Dividends 7%

Correspondence invited on business matters pertaining to the Province of Nova Scotia.

LONDON & WESTERN TRUSTS

From Assets of $500,000.00 in 1900 to $16,403,203.35 in 1925

Evidence of the faith of a growing clientele, in our ability to administer Estates.

Our development is evidence that we handle Estates conscientiously and economically.

Comparison of Assets, showing consistent increases, founded on the confidence of our customers:

	Total Assets
1900	$ 500,000.00
1905	2,252,801.19
1910	4,428,810.47
1915	6,868,817.75
1920	11,849,024.92
1924	14,869,033.69
1925	16,403,203.35

The London & Western Trusts is Western Ontario's Trust Company. It confines its work to that section of the Province. It does not engage in any work that is alien to a Trust Company's proper functions.

BOARD OF DIRECTORS

A. T. Little, President
Col. T. S. Hobbs, Vice-President
Hon. C. S Hyman, Vice-President
C. R. Somerville — Col. W. M. Gartshore — John Pringle
John M. Dillon — A. M. Smart — Geo. C. Gunn
Geo. G. Moncrieff — George Mair — Gordon J. Ingram
Colin M. Duffield — Ray F. Lawson
John S. Moore, Manager

THE LONDON & WESTERN TRUSTS CO., Limited
LONDON, ONTARIO

ON GUARD

National Trust Company
Limited

PROFIT AND LOSS ACCOUNT

For Year ending 31st December, 1925

Balance 31st December, 1924	$121,646.58
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.	375,693.69
	$497,340.27
Appropriated as Follows:—	
Quarterly Dividends: Nos. 101 to 104, at the rate of 12% per annum	$270,000.00
To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate	60,073.55
Balance Carried Forward	167,266.72
	$497,340.27

Balance Sheet, 31st December, 1925

ASSETS

Capital Account:			
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton		$550,000.00	
Real Estate held for sale under mortgage foreclosure		290,079.94	
Rents due and accrued		4,860.07	
Mortgages:			
Principal	$2,280,569.79		
Interest due and accrued	114,742.36		
		2,395,312.15	
Loans on Stocks and Bonds		502,985.17	
Securities:			
Provinces of Canada	$88,401.56		
Canadian Municipalities and School District Debentures	91,565.23		
Other Bonds, Debentures, and Debenture Stocks	87,596.18		
		$267,562.97	
Stocks		300,501.88	
Cash in Chartered Banks		326,444.92	
Cash on Hand		5,892.26	
Advances to Estates and Trusts		138,859.56	
			$4,782,498.92
Guaranteed Trust Account:			
Mortgages:			
Principal	$6,087,358.05		
Interest due and accrued	236,323.19		
		$6,323,681.24	
Loans on Government and Municipal Bonds		418,400.00	
Securities:			
Dominion of Canada and Provinces of Canada	$1,537,882.03		
Canadian Municipalities and School District Debentures	1,325,354.03		
		$2,863,236.06	
Cash in Chartered Banks		545,935.22	
Cash on Hand		97,965.13	
			10,249,217.65
Estates, Trusts and Agency Account:			
Funds and Investments		$128,630,188.89	
			128,630,188.89
			$143,661,905.46

LIABILITIES

Capital Account:			
Capital Stock, subscribed and fully paid	$2,250,000.00		
Reserve Fund	2,250,000.00		
		$4,500,000.00	
Dividends Declared and Unpaid (Dividend No. 104 due Jan. 2, 1926)		67,500.00	
Mortgages in Process of Completion		21,933.01	
Reserve for Balance Dominion Income War Tax		25,799.19	
Profit and Loss		167,266.72	
			$4,782,498.92
Guaranteed Trust Account:			
Trust Funds for Investment		$4,528,662.95	
Trust Deposits		5,720,554.70	
			10,249,217.65
Estates, Trusts and Agency Account:			
Estates, Trusts and Agency Account		$128,630,188.89	
			128,630,188.89
			$143,661,905.46

Board of Directors:

President: Sir Joseph Flavelle, Bart.

Vice-Presidents: E. R. Wood, W. E. Rundle, Herbert C. Cox

Hon. Sir Edward Kemp, K.C.M.G.
H. H. Fudger
Chester D. Massey, LL.D.
H. B. Walker
J. H. Plummer, D.C.L.
Hon. F. H. Phippen, K.C.
H. J. Fuller
W. M. Birks
E. M. Saunders
Sir John Aird
James Ryrie
Rt. Hon. Sir Thomas White, K.C.M.G.
Harrington E. Walker
Miller Lash, K.C.
A. McT. Campbell
Kenneth MacKenzie
George W. Allan, K.C.
Edward FitzGerald
Leighton McCarthy, K.C.
Carl Riordon
George W. McLaughlin
W. H. McWilliams
W. G. Morrow
Cyrus A. Birge
F. F. Dalley
Thomas C. Haslett, K.C.
D'Arcy Martin, K.C.
C. S. Wilcox
Walter Molson
Lt.-Col. William Leggat, M.C.

The Trust Companies

(Continued from page 23)

	1923	1924	1925
Taxes	......	10,666	10,558
	$ 26,028	$ 30,125	$ 36,376
Bal. forward ..	50,032	76,060	52,515
	$ 76,060	$106,185	$ 88,891
Writ off inv....	......	53,669	36,339
Balance .. ...,	$ 76,060	$ 52,516	$ 52,552

xIncludes taxes.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits A. Cap.	Earn. Rt.
1913	$750,000	$135,348	9	20.0	14.3
1914	750,000	118,155	9	15.7	10.2
1915	750,000	98,265	9	13.2	8.1
1916	750,000	87,919	9	117.	7.1
1917	750,000	94,171	9	12.5	7.7
1918	1,000,000	83,785	9	10.9	6.8
1919	1,000,000	111,004	9	11.1	7.5
1920	1,000,000	11,822	9	10.1	6.3
1921	1,000,000	75,450	7	7.5	5.0
1922	1,000,000	56,113	5	5.6	3.9
1923	1,000,000	26,027	.	2.6	2.1
1924	1,000,000	30,124	.	3.0	2.3
1925	1,000,000	36,376	.	3.6	2.9

STERLING TRUSTS CORP., TORONTO

Distribution of Earnings

	1923	1924	1925
Net earnings ..	$ 32,096	$ 41,499	$ 48,065
Taxes	.....	6,156	6,080
	$ 32,096	$ 35,343	$ 41,985
Bal. forward ...	15,694	25,857	26,997
Adjustments ..	7,849	.....	.....
	$ 55,639	$ 61,200	$ 68,982
Distribution—			
Dividends	$29,782	$ 34,202	$ 34,623
Reserve	.....	.....	25,000
Balance	25,857	26,997	9,359
	$ 55,639	$ 61,200	$ 69,982

Rate of Earnings

Year	Capital	Paid-up Profits	Div.	% Profits A. Cap.	Earn. Rate
1918 ..	$480,440	$24,004	..	5.0	4.0
1919 ..	501,302	62,196	..	12.4	12.2
1920 ..	501,302	34,410	..	6.9	6.7
1921 ..	501,302	11,756	..	2.3	2.2
1922 ..	509,716	31,452	..	6.2	5.3
1923 ..	568,019	32,096	6	6.5	5.7
1924 ..	575,010	35,343	6	6.2	5.4
1925 ..	579,298	41,985	6	7.2	6.1

TORONTO GENERAL TRUSTS CORP., TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$872,336	$948,487	x$381,941
Expenses	547,010	570,797	....
Taxes	....	19,000	51,925
Written off ...	....	50,000	13,000
Income tax ...	26,000	35,000	......
	573,010	674,797	64,925
Net profits	$299,326	$273,690	$317,016
Bal. forward ..	119,347	73,674	107,364
	418,673	347,364	424,380
Distribution—			
Dividends	$240,000	$240,000	$240,000
Contingent Res.	105,000	....	50,000
Balance	73,674	107,364	134,380
	$418,674	$347,364	$424,380

xExpenses deducted.

Rate of Earnings

Year	Capital Paid-up	Profit	Div.	Av. Cap. % Prof.	Earn. Rate
1913	$1,50,000	$277,889	10	18.5	10.6
1914	1,500,000	308,126	10	20.0	10.2
1915	1,500,000	312,826	10	20.8	10.4
1916	1,500,000	270,883	10	18.0	8.2
1917	1,500,000	252,886	10	17.0	7.4
1918	1,500,000	266,369	10+1	18.0	7.6
1919	1,500,000	292,717	10+2	19.4	8.1
1920	1,726,960	287,646	11+1	19.1	7.6
1921	2,000,000	271,806	12	15.1	6.0
1922	2,000,000	183,969	12	9.1	4.0
1923	2,000,000	299,326	12	14.9	6.5
1924	2,000,000	273,690	12	13.6	6.0
1925	2,000,000	317,016	12	15.8	6.8

TRUSTS AND GUARANTEE CO., TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$113,590	$113,102	$110,570
Taxes	17,308	15,644	16,718
Net profits ...	$ 86,282	$ 97,458	$ 93,852
Bal. forward ..	288,122	153,637	165,271
	384,404	251,095	259,123
Distribution—			
Dividends .. .	$ 85,767	$ 85,823	$ 86,200
Balance	153,637	165,272	147,905
Off assets ...	145,000	....	25,018
	$384,404	$251,095	$259,123

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1913	$1,350,547	$125,082	6	9.3	7.6
1914	1,361,616	106,077	6	7.8	6.2
1915	1,369,314	102,261	6	7.5	5.0
1916	1,380,655	105,146	6	7.8	5.9
1917	1,388,364	107,966	6	7.8	6.0
1918	1,391,928	107,543	6	7.7	5.8
1919	1,402,469	110,175	6	7.9	6.0
1920	1,409,109	111,975	6	8.0	6.2
1921	1,410,660	100,143	6	7.1	6.0
1922	1,427,443	97,637	6	7.0	6.0
1923	1,429,709	96,282	6	6.7	5.6
1924	1,431,061	97,458	6	6.8	6.1
1925	1,438,257	93,852	6	6.5	5.8

UNION TRUST COMPANY, TORONTO

Distribution of Earnings

	1923	1924	1925
Earnings	$108,696	$111,078	$116,504
Taxes	12,930	13,073	13,145
Office expenses	3,600	4,142	4,740
Net profits	$ 92,166	$ 93,863	$ 98,619
Bal. forward ..	142,937	115,003	138,866
	$235,003	$208,866	$237,485
Distribution—			
Dividends ..	$ 70,000	$ 70,000	$ 70,000
Balance	115,003	138,866	167,485
Reserve	50,000	......	......
	$235,003	$208,866	$237,485

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1913	$1,000,000	$209,794	10	20.1	10.6
1914	1,000,000	162,075	10	16.2	8.2
1915	1,000,000	154,524	10	15.5	7.8
1916	1,000,000	125,195	10	12.5	6.3
1917	1,000,000	91,937	9	9.1	4.9
1918	1,000,000	98,363	7	9.8	6.7
1919	1,000,000	102,603	7	10.2	6.8
1920	1,000,000	90,166	7	9.0	6.0
1921	1,000,000	90,230	7	9.0	6.0
1922	1,000,000	95,773	7	9.5	6.4
1923	1,000,000	92,166	7	9.2	5.7
1924	1,000,000	93,863	7	9.3	5.8
1925	1,000,000	98,619	7	9.8	6.0

VICTORIA TRUST AND SAVINGS CO., LINDSAY

Distribution of Earnings

	1923	1924	1925
xEarnings	$ 94,683	$109,308	$118,015
Res. for taxes ..	10,000	10,000	11,000
Premises	2,000	2,000	2,000
	12,00	12,000	13,000
Net earnings ..	$ 82,683	$ 97,308	$105,015
Bal. forward ..	7,805	8,091	8,399
Prem. on stock..	25,070	......	......
	$115,558	$105,399	$113,414
Distribution—			
Dividends .. .	$ 69,467	$ 72,000	$ 72,000
Reserve	38,000	25,000	30,000
Balance	8,091	8,399	11,414
	$115,558	$105,399	$113,414

xAfter deducting cost of management and all other expenses.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1913	$396,953	$43,939	7	11.0	10.5
1914	400,000	46,674	7	11.6	8.5
1915	400,000	46,700	7½	11.6	8.5
1916	400,000	50,234	7½	12.5	9.0
1917	447,475	54,553	7½	12.4	9.4

1918	500,000	58,774	7½	11.9	8.8
1919	600,000	75,346	8	14.2	9.9
1920	640,000	77,582	8½	12.5	9.1
1921	703,566	91,158	9	13.8	8.3
1922	742,085	101,810	9	14.0	8.4
1923	800,000	82,683	9	10.7	7.4
1924	800,000	97,308	9	12.1	7.2
1925	800,000	105,015	9	13.1	7.6

THE WATERLOO TRUST & SAVINGS CO., WATERLOO, ONT.

Distribution of Earnings

	1923	1924	1925
Earnings	$127,916	$134,503	x$76,122
Int. on loans ..	5,413	4,014	.....
Com. on loans..	4,545	4,435	.....
Expenses	48,951	55,141	......
Income tax	6,350	7,431	7,739
	65259	71,021	7,739
Net earnings ..	$ 62,657	$ 63,482	$ 68,383
Prem. on stocks.	1,750	1,215	.....
Bal. forward ..	3,821	1,434	2,607
	65,259	71,021	7,789
Distribution—			
Dividends .. .	$ 46,793	$ 48,528	$ 48,750
Reserve	15,000	15,000	20,000
Contingent ..	5,000	.....	.....
Balance	1,434	2,608	2.240
	$ 68,228	$ 66,131	$ 70,990

xInterest and expenses deducted.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. R't.
1915	$332,876	$25,328	6	7.8	7.0
1916	383,779	31,762	6	8.8	7.7
1917	415,366	34,355	6	8.5	7.4
1918	481,802	40,462	6	9.3	8.0
1919	604,331	49,649	6	9.2	7.9
1920	638,764	56,995	6	9.1	7.7
1921	674,295	54,637	6	8.4	6.9
1922	707,920	57,672	6½	8.3	6.8
1923	729,685	62,657	6½	8.7	7.8
1924	750,000	63,482	6½	8.5	6.8
1925	750,000	63,382	6½	9.1	7.1

WESTERN TRUST CO., WINNIPEG

Distribution of Earnings

	x1923	1924	1925
Profits	$ 69,358	$ 60,093	$ 42,947
Prov. for Inc. tax	7,000	5,500	5,000
Net profits	62,358	54,593	37,947
Bal. forward ..	65,345	97,553	91,847
	127,703	152,146	129,794
Distribution—			
Dividends	$30,150	$ 60,300	$ 40,200
Balance	97,553	91,847	89,594
	$127,708	$152,147	$129,794

xFor eleven months.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Cap.	Earn. Rate
1915	$1,005,000	$84,787	6	8.4	7.0
1916	1,005,000	81,058	5	8.1	6.5
1917	1,005,000	82,500	5	8.2	6.6
1918	1,005,000	62,391	5	6.2	4.9
1919	1,005,000	68,185	5	6.8	5.4
1920	1,005,000	81,894	6	8.1	6.4
1921	1,005,000	78,125	6	7.8	6.0
1922	1,005,000	69,814	6	6.9	5.3
1923	1,005,000	62,358	3	6.2	4.9
1924	1,005,000	54,593	6	5.4	4.0
1925	1,005,000	37,947	4	3.7	2.8

WINNIPEG MERCANTILE TRUST WINNIPEG

Distribution of Earnings

	1923	1924	1925
xEarnings	$ 3,919	$ 2,512	$ 2,971
Bal. forward ...	4,044	3,714	6,226
	$ 7,963	$ 6,226	$ 9,197
Distribution—			
Dividends ...	$ 4,249	$	$ 3,192
Balance	3,714	6,226	6,005
	$ 7,963	$ 6,226	$ 9,197

xAfter deducting all expenses.

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rt.
1919	$66,046	$3,360	6	5.1	4.2
1920	66,916	4,531	6	6.8	5.4
1921	67,484	4,301	6	6.4	5.2
1922	105,966	5,310	6	5.0	4.2
1923	106,272	3,919	4	3.7	3.1
1924	106,423	2,512	..	2.3	2.0
1925	106,423	2.971	3	2.8	2.3

THE WINNIPEG TRUSTEE COMPANY OF CANADA, WINNIPEG

Distribution of Earnings

	1923	1924	1925
Profits	$ 8,704	$ 6,218	$ 5,294
Bal. forward ..	768	504	1,723
Writ. off secs...	...	...	2,506
	$ 9,472	$ 6,722	$ 4,511
Distribution—			
Dividends ..	7,468	.....	.....
Reserve	1,500	5,000	.....
Balance	504	1,722	4,511
	$ 9,472	$ 6,722	$ 4,511

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1921	$144,279	$10,418	6	7.2	[illegible]
1922	146,762	9,416	6	6.7	[illegible]
1923	149,856	8,704	5	5.8	[illegible]
1924	151,777	6,218	..	4.1	[illegible]
1925	151,777	5,294	..	3.5	[illegible]

Cutting Home Cost by Construction Economy

CHICAGO.—The cost of building homes may be lowered through better circulation of sound ideas for construction economy. That is the thesis upon which the National Association of Real Estate Boards has called a national home builders conference as a leading feature of its nineteenth annual convention.

ASSETS OF CANADA'S CHIEF LOAN AND MORTGAGE COMPANIES

	Mortgages 1923 $	Mortgages 1924 $	Mortgages 1925 $	Other Loans 1923 $	Other Loans 1924 $	Other Loans 1925 $	Securities 1923 $	Securities 1924 $	Securities 1925 $
Brit. Mort. Loan	2,694,709	2,838,022	3,490,808	....	....	....	978,191	833,957	629,675
B.C. Perm. Loan	1,718,252	1,979,866	2,098,402	....	....	....	449,923	354,704	285,959
Brockville Loan	798,712	765,007	867,570	14,377	15,781	18,262	83,883	78,814	95,630
Can. Mort. Invest.	1,265,145	1,004,077	1,063,297	....	....	....	447,386	609,311	565,360
Canada Landed	4,410,131	4,325,270	4,238,024	....	....	8,902	1,979,231	1,895,304	1,806,952
Canada Permanent	36,454,669	36,906,672	38,958,514	187,235	131,000	85,619	3,923,178	5,169,887	6,120,995
Central Canada	1,337,056	1,461,095	1,035,032	1,283,648	1,335,718	1,197,303	4,064,173	4,040,190	5,173,611
Col. Invest. & Loan	156,961	161,999	170,619	15,000	45,000	....	174,920	109,721	30,316
Crown Sav. & Loan	632,848	608,566	616,183	7,719	7,719	7,719	54,215	53,715	74,000
Credit Foncier	35,653,399	34,674,951	33,405,906	2,443,314	3,630,071	1,436,313	11,117,352	6,481,019	7,606,220
Debenture Co. of Can.	....	....	....	....	....	....	....	....	....
Eastern Can. Savings	2,352,846	2,490,947	2,542,141	....	15,000	65,000	44,484	91,433	....
E. Lambton Farm Loan	311,040	311,014	351,867	9,783	9,884	10,803	280,021	297,069	320,576
Empire Loan	649,053	528,341	506,787	....	....	....	....	....	....
Frontenac Loan	158,415	196,684	202,734	40,203	42,705	36,583	74,575	42,995	39,724
Great-West Perm. Loan	3,903,668	3,652,525	3,814,255	92,081	96,287	99,339	146,598	646,598	646,598
Guelph & Ont. Invest.	2,589,565	2,606,345	3,217,086	53,092	45,785	30,713	5,548,244	1,685,633	1,135,745
Grey & Bruce Loan	668,182	673,670	674,762	49,011	46,140	35,364	104,564	158,794	239,190
Ham. Prov. & Loan	4,600,660	4,394,933	4,884,406	7,461	4,140	6,285	275,453	270,494	272,769
Home Invest. & Sav.	1,895,511	1,700,195	1,603,422	....	....	....	4,402	3,605	27,907
Hudson Bay Mortgage	88,145	87,130	93,274	....	....	....	....	....	....
Huron & Erie Loan	19,151,551	19,863,347	23,969,824	....	....	....	5,593,474	6,502,246	5,703,712
Indus. Mortgage	2,268,840	2,329,548	2,384,127	13,440	9,444	20,841	569,324	671,638	756,586
International Loan	508,862	520,861	605,906	....	....	....	....	....	....
Invest. Corp. of Can.	2,073,475	1,919,860	1,795,640	....	....	....	997,675	1,080,470	1,209,205
Lambton Loan & Inv.	3,434,446	3,579,987	3,651,056	65,881	58,802	24,523	303,509	291,176	538,118
Landed Bank & Loan	3,134,739	3,174,864	3,204,708	47,517	44,489	62,511	296,803	365,914	453,954
London Loan & Savings	2,335,047	2,382,826	2,129,852	23,162	15,699	11,611	708,851	710,055	707,932
Midland Loan & Savings	1,364,232	1,588,305	1,762,834	1,307	1,208	1,762	441,733	391,546	345,368
Montreal Loan & Mort.	1,816,825	1,737,932	1,786,877	500	26,101	429	....	....	....
Mortgage Corp. of N.S.	1,062,848	1,113,150	1,191,023	1,457	435	287	11,000	11,000	28,475
North of Scot. Can. Mtg.	8,812,015	8,564,905	8,240,620	....	....	....	....	....	126,285
Northern Mort. Co.	*3,140,878	*2,972,477	2,336,278	....	....	....	....	....	308,575
N.S. Savings & Bldg.	1,862,815	1,871,866	1,873,975	....	....	....	151,937	151,937	216,307
Northern Can. Mortgage	....	....	....	623,315	534,939	471,666	53,682	53,934	53,934
Ont. Loan & Deben.	5,295,364	6,000,954	6,543,737	32,914	167,034	223,287	2,878,961	2,514,787	2,690,708
Okanagan Loan	489,977	321,664	384,095	....	....	....	44,056	59,527	53,287
Owen Sound Loan	187,050	177,251	172,655	9,083	9,655	8,029	21,633	21,393	23,493
People's Loan & Sav.	787,173	861,748	874,756	10,876	4,695	4,122	51,342	60,299	62,490
Port Art. & Ft. Wm. Mtge.	608,141	600,138	406,827	16,400	1,585	1,109	....	....	184,648
Real Estate Loan	1,107,608	1,237,148	1,247,843	6,258	5,210	5,064	118,760	112,265	106,849
Royal Loan & Savings	1,859,933	1,819,672	1,963,628	29,029	84,096	63,692	555,704	719,268	838,804
Southern Loan & Savings	2,357,991	2,504,425	2,599,463	8,124	5,725	4,372	252,544	222,574	277,193
Security Loan	1,152,258	1,217,596	1,275,163	8,787	7,705	6,777	129,650	98,978	174,599
Sask. Loan & Invest.	365,546	349,711	341,023	....	....	....	....	....	....
Sherbrooke Loan & Mort.	780,171	844,010	962,222	4,098	7,222	7,001	67,489	67,489	77,484
Toronto Mortgage	1,892,036	1,894,752	2,069,487	57,788	57,031	12,950	1,290,719	1,375,945	1,316,160
Toronto Sav. & Loan	483,631	121,979	789,770	138,826	200	125,291	2,272,550	2,665,039	2,105,568
Trust & Loan	15,549,481	16,033,438	15,657,731	....	....	....	565,650	568,435	589,400
Scottish Prov. Invest.	173,651	149,255	156,419	....	....	....	....	....	....
Societe de Prest et Place	871,209	946,346	1,009,408	2,846	6,659	5,093	861	1,119	....
West. Can. Invest.	1,106,730	1,065,095	993,840	....	....	....	34,925	34,925	34,925
Western Homes	690,817	756,420	961,821	....	....	....	9,901	10,582	....
Total	189,070,307	189,888,839	197,172,697	....	....	....	47,173,526	64,585,784	41,962,786
La Comp. Finciere de Man.	....	271,291	293,607	5,304,532	6,467,164	4,098,622	....	19,221	21,895

	Real Estate and Premises 1923 $	Real Estate and Premises 1924 $	Real Estate and Premises 1925 $	Cash 1923 $	Cash 1924 $	Cash 1925 $	Total Assets 1923 $	Total Assets 1924 $	Total Assets 1925 $
Brit. Mort. Loan	30,000	30,000	31,500	96,998	126,164	91,326	3,771,898	3,828,142	[illegible]
B.C. Perm. Loan	650,078	598,940	457,903	109,940	98,791	105,491	2,954,063	3,055,988	[illegible]
Brockville Loan	4,136	12,732	15,788	2,182	60,107	8,761	903,292	932,443	1,006,012
Can. Mort. Invest.	506,835	469,195	453,125	68,358	48,105	78,212	2,313,853	2,161,628	2,176,520
Canada Landed	92,256	105,534	104,948	88,364	163,120	164,965	6,569,984	6,489,229	6,328,842
Canada Permanent	1,644,876	1,668,108	1,583,764	1,439,064	1,538,885	1,532,599	43,649,024	45,414,653	48,281,493
Central Canada	262,798	250,000	250,000	311,973	311,458	339,828	7,259,650	7,398,463	7,995,776
Col. Invest. & Loan	262,918	212,692	163,074	11,663	62,500	39,733	1,018,864	987,443	828,657
Crown Sav. & Loan	18,700	21,960	24,974	3,814	23,582	3,281	751,892	748,526	750,977
Credit Foncier	1,454,454	1,482,916	1,849,281	3,815,349	5,148,244	6,760,502	55,075,222	52,035,871	51,700,109
Debenture Co. of Can.	18,603	28,102	41,636	128	3,803	15,636	247,940	316,316	[illegible]
Eastern Can. Savings	93,628	87,743	114,991	31,764	21,534	63,958	2,524,618	2,708,264	2,794,228
E. Lambton Farm Loan	3,800	3,800	3,800	1,242	8,202	6,344	605,887	629,971	693,390
Empire Loan	121,600	227,316	220,709	4,909	2,311	8,643	776,241	758,571	736,631
Frontenac Loan	17,305	16,787	25,379	8,881	15,488	2,432	299,581	814,861	307,062
Great-West Perm. Loan	1,552,066	1,521,512	1,423,538	227,218	184,646	197,509	6,655,746	6,200,268	6,269,934
Guelph & Ont. Invest.	219,674	140,025	134,224	90,884	113,093	105,559	4,507,910	4,597,333	4,629,779
Grey & Bruce Loan	44,334	42,598	40,556	16,428	31,024	36,053	884,912	955,187	1,028,888
Ham. Prov. & Loan	152,090	202,200	203,820	61,584	356,117	36,003	5,097,249	5,227,886	5,403,283
Home Invest. & Sav.	372,705	462,030	463,852	5,204	35,874	53,145	2,283,277	2,206,338	2,153,731
Hudson Bay Mortgage	22,853	22,853	22,103	2,750	7,193	5,725	106,318	109,450	[illegible]
Huron & Erie Loan	863,000	850,000	835,000	1,208,934	1,252,586	958,316	26,822,960	28,468,180	[illegible]
Indus. Mortgage	42,204	79,834	73,054	126,478	125,037	121,775	3,019,689	3,215,504	[illegible]
International Loan	48,707	53,409	47,803	2,191	45,184	34,046	561,110	621,654	690,048
Invest. Corp. of Can.	689,650	667,880	733,830	292,845	181,215	288,085	4,196,425	4,111,425	4,065,110
Lambton Loan & Inv.	76,426	86,141	88,979	60,330	145,102	167,522	3,940,593	4,155,209	4,470,280
Landed Bank & Loan	124,778	144,360	198,582	128,880	160,820	113,210	3,732,720	3,889,947	4,032,968
London Loan & Savings	85,000	85,000	169,482	61,016	21,347	20,020	3,213,077	3,214,928	3,038,898
Midland Loan & Savings	5,016	5,016	5,016	172,542	148,868	143,244	1,984,831	2,134,944	2,258,224
Montreal Loan & Mort.	300	....	....	7,282	2,572	4,872	1,824,907	1,766,606	1,792,178
Mortgage Corp. of N.S.	5,365	36,732	34,205	14,788	37,344	22,548	1,408,415	1,484,909	1,546,056
North of Scot. Can. Mtg.	340,640	580,035	593,220	18,535	35,965	52,735	9,667,670	9,673,335	9,595,725
Northern Mort. Co.	274,032	352,332	424,517	14,055	94,491	76,749	3,429,425	3,420,762	3,396,498
N.S. Savings & Bldg.	8,000	12,700	20,200	40,863	29,914	20,150	2,064,051	2,118,668	2,162,836
Northern Can. Mortgage	40,914	146,180	226,167	2,585	4,150	1,292	720,681	739,205	753,060
Ont. Loan & Deben.	124,552	119,350	96,449	163,559	300,465	179,460	8,404,352	9,103,591	9,733,641
Okanagan Loan	53,569	133,432	98,996	8,011	4,604	....	598,772	587,465	558,775
Owen Sound Loan	16,873	16,714	16,989	1,546	3,319	28,793	238,162	230,193	251,884
People's Loan & Sav.	74,547	89,900	58,520	30,633	39,450	97,534	1,014,999	1,116,532	1,162,423
Port Art. & Ft. Wm. Mtge.	70,857	69,382	63,035	1,562	3,201	822	659,294	661,540	656,414
Real Estate Loan	34,402	45,583	58,227	36,050	38,928	53,739	1,303,081	1,439,137	1,471,724
Royal Loan & Savings	66,430	77,383	61,604	104,308	97,978	106,719	2,615,406	2,798,398	3,034,449
Southern Loan & Savings	35,848	50,326	42,450	70,832	55,295	9,369	2,725,335	2,838,348	2,982,849
Security Loan	21,100	21,100	21,100	32,223	72,055	38,280	1,345,102	1,418,732	1,517,214
Sask. Loan & Invest.	43,164	50,971	53,013	13,763	20,090	26,910	426,647	427,554	426,730
Sherbrooke Loan & Mort.	....	....	....	300	712	32,253	858,379	1,906,104	2,124,200
Toronto Mortgage	45,000	45,000	45,000	117,252	84,934	68,811	3,402,796	3,457,664	3,512,468
Toronto Sav. & Loan	1,375,010	1,980,492	1,950,533	161,865	140,729	192,967	4,434,785	4,910,449	5,165,231
Trust & Loan	468,530	510,280	509,405	8,970	2,970	1,390	22,977,150	22,426,075	22,701,125
Scottish Prov. Invest.	45,320	44,478	55,371	456	260	193	228,555	203,673	218,586
Societe de Prest et Place	....	....	....	1,683	1,842	1,464	889,092	959,171	1,015,966
West. Can. Invest.	69,800	110,145	137,355	17,800	5,085	37,155	1,354,455	1,285,785	1,226,425
Western Homes	50,553	76,618	....	4,959	5,752	....	780,285	873,571	989,864
Total	12,744,791	14,148,806	14,347,067	9,298,293	11,522,005	12,556,128	269,100,622	272,733,089	282,070,189
La Comp. Finciere de Man.	....	365,474	359,625	....	11,172	6,710	....	679,873	694,259

*Includes mortgage loans, war bonds and other investments.

LIABILITIES OF LOAN COMPANIES

	To the Public— Savings Deposits 1923 $	Savings Deposits 1924 $	Savings Deposits 1925 $	Debentures 1923 $	Debentures 1924 $	Debentures 1925 $	Total 1923 $	Total 1924 $	Total 1925 $
Brit. Mort. Loan	1,306,185	1,303,563	1,399,795	1,400,425	1,440,956	1,598,436	2,706,610	2,744,519	2,998,231
Brockville Loan	360,243	362,459	377,805	....	15,128	62,156	364,415	381,566	444,213
B.C. Perm. Loan	183,611	249,520	316,581	926,889	966,500	964,399	1,134,763	1,241,740	1,300,609
Can. Mort. Invest.	....	....	....	487,120	494,407	504,273	505,359	506,086	535,573
Canada Landed	....	....	....	3,715,107	3,625,378	3,466,929	3,777,423	3,697,914	3,515,808
Canada Permanent	7,047,740	7,334,483	8,575,231	21,980,137	23,371,954	24,883,825	29,033,070	30,716,016	33,476,688
Central Canada	1,988,056	2,217,994	2,704,973	1,532,978	1,432,189	1,521,242	3,521,034	3,650,133	4,226,216
Col. Invest. & Loan	....	....	....	....	....	....	1,627	4,936	3,103
Crown Sav. & Loan	134,203	99,225	104,683	255,591	282,787	285,622	389,795	382,013	390,306
Credit Foncier	....	....	....	37,507,580	16,707,063	16,518,937	37,507,580	16,707,063	16,518,937
Debenture Co. of Can.	....	....	....	....	....	....	....	....	....
Eastern Can. Savings	192,220	206,463	266,445	1,267,912	1,426,445	1,436,893	1,460,133	1,632,908	1,703,338
Empire Loan	....	....	....	65,426	55,784	53,329	105,459	77,749	64,633
E. Lambton Farm Loan	127,973	126,424	153,571	160,950	188,065	220,405	294,486	314,489	373,977
Frontenac Loan	46,750	61,569	53,252	....	....	....	46,786	61,569	53,257
Great-West Perm. Loan	434,536	....	....	2,725,436	2,708,932	2,761,877	3,159,972	2,827,032	2,822,659
Guelph & Ont. Invest.	772,396	876,761	851,488	1,772,527	1,789,014	1,829,305	2,546,027	2,666,846	2,681,805
Grey & Bruce Loan	238,318	271,036	320,131	105,386	140,965	162,743	343,705	412,001	482,875
Ham. Prov. & Loan	918,552	823,231	830,506	1,428,249	1,595,751	1,671,771	2,390,704	2,469,462	2,597,264
Home Invest. & Sav.	335,349	344,315	304,347	192,148	198,699	203,289	657,280	613,925	556,562
Hudson Bay Mortgage	....	....	....	....	....	....	....	....	....
Huron & Erie Loan	6,116,249	6,161,587	6,960,854	13,780,303	15,203,285	17,229,200	20,059,759	21,578,741	24,429,666
Indus. Mortgage	814,386	844,030	900,006	1,064,310	1,212,500	1,278,468	1,878,697	2,056,531	2,178,475
International Loan	....	....	....	....	....	....	2,037	....	....
Invest. Corp. of Can.	....	....	....	....	....	....	....	....	....
Lambton Loan & Inv.	1,102,568	1,093,707	1,291,193	1,070,408	1,254,305	1,306,221	2,195,703	2,382,044	2,682,583
Landed Bank & Loan	970,677	1,012,473	1,063,236	626,275	700,233	758,183	1,616,346	1,732,394	1,845,533
London Loan & Savings	666,460	706,748	658,694	1,103,156	1,025,746	944,911	1,872,356	1,879,560	1,699,329
Midland Loan & Savings	330,391	329,541	342,120	898,391	1,027,906	1,116,920	1,228,851	1,357,448	1,459,040
Mortgage Corp. of N.S.	33,654	35,815	41,983	318,096	376,742	405,134	355,969	417,871	452,924
Montreal Loan & Mort.	170,412	199,113	219,770	146,969	48,989	49,006	327,108	261,488	279,102
North of Scot. Can. Mtg.	....	....	....	5,499,140	5,520,000	5,449,810	5,698,495	5,695,540	5,607,790
Northern Mort. Co.	....	....	....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
N.S. Savings & Bldg.	115,491	101,798	92,742	645,572	717,491	738,599	761,063	819,200	831,342
Northern Can. Mortgage	....	....	....	....	....	....	....	....	....
Ont. Loan & Deben.	811,099	838,854	844,535	3,234,472	3,837,241	4,385,866	4,045,572	4,676,095	5,230,401
Owen Sound Loan	56,592	57,575	70,515	24,556	29,990	35,263	95,077	88,182	106,537
Okanagan Loan	11,538	7,913	....	41,413	31,717	....	90,267	78,820	75,800
People's Loan & Sav.	305,007	368,633	402,731	118,238	129,746	158,995	430,158	518,686	561,726
Port Art. & Ft. Wm. Mtg.	....	....	....	69,593	69,593	69,593	72,144	75,013	70,614
Real Estate Loan	....	....	....	486,108	622,558	653,838	490,966	626,815	658,295
Royal Loan & Savings	790,977	960,121	1,100,135	669,126	662,450	732,742	1,464,305	1,626,773	1,837,323
Southern Loan & Savings	506,438	562,527	546,056	933,008	973,114	1,046,677	1,440,216	1,536,207	1,608,042
Security Loan	322,200	342,290	374,641	249,239	286,857	335,200	576,290	633,822	714,744
Sask. Loan & Invest.	....	....	....	....	....	....	2,592	1,982	1,162
Scottish Prov. Invest.	....	....	....	....	....	....	73,928	54,685	63,965
Sherbrooke Loan & Mort.	417,819	479,484	585,865	60,830	85,780	143,337	535,129	591,335	736,525
Toronto Mortgage	84,236	85,920	95,758	1,747,373	1,792,361	1,821,310	1,861,283	1,888,746	1,927,533
Toronto Sav. & Loan	....	....	969,532	*2,210,961	*2,659,892	1,947,661	2,215,037	2,661,871	2,921,513
Trust & Loan	....	....	....	14,503,015	14,080,600	14,322,055	14,503,015	14,080,600	14,322,055
Societe de Prets et Place	98,318	120,796	107,151	....	....	....	98,378	120,796	107,151
West. Can. Invest.	....	....	....	383,470	397,985	381,690	383,470	397,985	381,690
Western Homes	....	....	....	....	....	....	....	....	....
Total	27,860,704	28,585,918	32,926,325	126,357,883	110,187,093	114,456,100	155,315,439	139,947,286	148,596,914
La Comp. Fonciere de Man.	....	15,148	16,500	....	97,022	99,037	....	130,903	131,134

	To Shareholders— Capital 1923 $	Capital 1924 $	Capital 1925 $	Reserves 1923 $	Reserves 1924 $	Reserves 1925 $	Undivided Profits 1923 $	Undivided Profits 1924 $	Undivided Profits 1925 $
Brit. Mort. Loan	500,000	500,000	568,900	520,000	530,000	610,000	5,228	3,623	[illegible]
Brockville Loan	348,900	350,000	350,000	160,000	175,000	185,000	7,803	5,547	2,410
B.C. Perm. Loan	942,424	943,319	944,599	800,000	800,000	650,000	9,284	2,306	10,766
Can. Mort. Invest.	1,243,263	1,244,766	1,245,000	500,000	350,000	350,000	28,641	30,162	15,166
Canada Landed	1,205,000	1,205,000	1,205,000	1,450,000	1,450,000	1,450,000	42,086	53,120	57,539
Canada Permanent	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,500,000	405,954	488,637	[illegible]
Central Canada	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	159,865	169,579	182,060
Col. Invest. & Loan	648,330	648,535	345,652	275,000	240,000	200,000	3,900	7,763	10,225
Crown Sav. & Loan	241,050	241,050	241,050	109,000	113,000	116,500	4,213	4,628	4,287
Credit Foncier	9,647,667	9,647,667	9,647,667	2,867,246	16,882,987	16,859,743	1,648,796	1,705,204	1,911,149
Debenture Co. of Can.	186,585	223,658	270,681	14,000	20,000	25,000	540	2,426	1,647
Eastern Can. Savings	750,000	750,000	750,000	305,500	310,000	310,000	....	....	....
Empire Loan	638,055	638,376	638,376	30,000	30,000	30,000	856	2,751	2,279
E. Lambton Farm Loan	227,150	227,150	227,150	77,407	81,488	85,433	....	....	....
Frontenac Loan	200,000	200,000	200,000	30,000	30,000	30,000	98	546	491
Great-West Perm. Loan	2,417,311	2,417,512	2,417,722	603,835	415,149	402,634	....	....	....
Guelph & Ont. Invest.	965,080	965,080	965,080	869,435	869,435	869,435	38,765	57,368	24,856
Grey & Bruce Loan	444,880	444,380	444,380	78,000	80,000	82,500	....	....	....
Ham. Prov. & Loan	1,200,000	1,200,000	1,200,000	1,400,000	1,450,000	1,500,000	....	....	....
Home Invest. & Sav.	992,721	992,763	992,772	500,000	500,000	500,000	38,420	9,757	3,396
Hudson Bay Mortgage	102,720	102,720	102,720	....	....	....	3,358	6,490	10,679
Huron & Erie Loan	5,000,000	5,000,000	5,000,000	1,650,000	1,750,000	1,850,000	25,701	51,938	74,685
Indus. Mortgage	635,000	635,000	635,000	477,000	495,000	514,000	416	397	335
International Loan	518,663	551,298	606,314	....	....	....	†40,409	†70,356	†82,224
Invest. Corp. of Can.	2,500,000	2,500,000	2,500,000	275,000	225,000	170,000	30,830	21,095	4,865
Lambton Loan & Inv.	789,750	789,750	789,750	895,000	900,000	920,000	20,652	28,132	22,584
Landed Bank & Loan	1,000,000	1,000,000	1,000,000	1,050,000	1,050,000	1,050,000	21,373	32,552	22,433
London Loan & Savings	891,539	891,571	891,571	430,000	440,000	440,000	3,580	3,796	7,997
Midland Loan & Savings	360,000	360,000	360,000	350,000	380,000	380,000	14,453	14,974	15,637
Mortgage Corp. of N.S.	562,945	593,454	620,883	164,000	174,000	188,000	290	575	1,283
Montreal Loan & Mort.	600,000	600,000	600,000	800,000	850,000	850,000	73,799	31,118	39,076
North of Scot. Can. Mtg.	1,380,000	1,380,000	1,380,000	1,975,000	1,975,000	1,975,000	258,730	277,805	271,285
Northern Mort. Co.	2,003,387	2,008,282	2,016,345	....	....	....	292,772	295,456	[illegible]
N.S. Savings & Bldg.	1,071,510	1,061,731	1,092,871	217,000	223,000	226,000	40,863	29,914	20,150
Northern Can. Mortgage	572,686	587,282	600,883	60,000	40,000	40,000	63,434	53,356	50,343
Ont. Loan & Deben.	1,750,000	1,750,000	1,750,000	2,500,000	2,575,000	2,650,000	47,530	53,370	55,115
Owen Sound Loan	129,270	129,463	129,539	....	....	....	....	....	....
Okanagan Loan	390,580	390,580	390,687	110,000	110,000	83,448	92	232	....
People's Loan & Sav.	496,246	500,000	500,000	84,000	95,000	98,000	4,593	2,845	[illegible]
Port Art. & Ft. Wm. Mtg.	585,800	585,000	585,000	....	....	....	....	....	....
Real Estate Loan	500,000	500,000	500,000	290,000	290,000	290,000	3,805	3,983	5,689
Royal Loan & Savings	600,000	600,000	600,000	520,000	530,000	540,000	17,601	26,622	42,088
Southern Loan & Savings	900,000	900,000	900,000	330,000	345,000	365,000	19,118	21,140	23,807
Security Loan	536,100	538,200	539,800	210,000	225,000	240,000	8,972	2,909	3,776
Sask. Loan & Invest.	351,338	352,475	353,649	40,000	40,000	40,000	10,875	10,826	9,410
Scottish Prov. Invest.	123,937	125,525	125,651	....	....	....	2,411	3,520	4,068
Sherbrooke Loan & Mort.	250,000	250,000	250,000	60,000	70,000	85,000	5,749	6,891	6,001
Toronto Mortgage	724,550	724,550	724,550	750,000	750,000	800,000	48,769	68,928	34,886
Toronto Sav. & Loan	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000	1,200,000	89,748	98,578	8,818
Trust & Loan	6,750,000	6,750,000	6,750,000	568,690	658,560	680,685	578,025	468,495	488,705
Societe de Prets et Place	411,900	438,600	500,000	315,000	335,000	370,000	6,107	5,228	4,841
West. Can. Invest.	750,000	750,000	750,000	80,000	85,000	50,000	38,830	15,015	15,310
Western Homes	692,552	799,556	911,476	....	....	....	27,010	31,611	30,872
Total	66,478,389	66,735,093	66,870,016	35,640,113	48,777,619	49,601,378	4,189,344	4,281,064	3,808,166
La Comp. Fonciere de Man.	....	400,050	400,050	....	24,014	24,465	....	6,821	6,666

*Includes deposits. †Includes reserve.

INVESTMENTS OF THE TRUST COMPANIES

	Capital Account 1923 $	Capital Account 1924 $	Capital Account 1925 $	Guaranteed Account 1923 $	Guaranteed Account 1924 $	Guaranteed Account 1925 $
Acadia Trust	490,482	521,600	555,377	....	....	....
Brantford Trust	334,273	336,051	337,293	....	....	....
British Canadian Trust	60,633	62,888	63,327	1,400	....	....
Canadian Guaranty Trust	559,460	569,399	585,071	285,522	292,761	306,909
Canada Trust	1,766,036	1,788,388	1,807,242	4,416,355	5,198,141	5,097,379
Capital Trust	682,138	692,064	697,967	1,214,806	1,557,872	2,217,011
Consolidated Trusts	330,297	338,151	351,477	31,975	38,485	61,445
Crown Trust	777,787	861,162	910,976	391,950	485,850	1,056,250
Canada Permanent Trust	1,202,605	1,231,337	1,267,995	131,996	193,050	349,739
Chartered Trust	618,620	596,401	595,057	686,145	667,139	819,302
Eastern Trust	1,928,065	1,790,508	1,593,264	1,493,629	1,734,505	2,494,723
Fidelity Trust, Winnipeg	672,668	645,067	642,267	....	....	....
Gen. Administration Society	669,137	689,678	704,057	....	....	....
Guelph Trust	368,410	381,071	391,712	304,853	322,751	328,644
Imperial Trusts	347,209	352,116	374,051	667,976	701,911	688,053
Imperial Canadian Trusts	1,870,289	1,785,619	1,743,943	....	....	....
London & Western	822,011	847,293	875,895	....	....	....
Montreal Trust	3,814,459	3,904,341	4,765,319	4,969,083	5,208,090	6,717,125
National Trust	4,370,583	4,737,191	4,782,499	7,440,988	9,298,248	10,249,217
Northern Trusts	2,073,062	1,726,344	1,772,791	2,794,156	2,835,551	2,634,268
Nova Scotia Trust	403,544	395,932	418,703	346,531	475,381	504,383
Prudential Trust	861,554	854,240	797,642	164,100	164,109	64,140
Premier Trust	157,216	168,788	178,296	90,426	115,976	127,378
Royal Trust	6,939,534	6,807,677	6,897,543	1,681,052	2,724,003	2,419,790
Standard Trusts	2,404,619	2,308,390	2,401,499	539,065	....	....
Sterling Trusts	674,797	686,980	693,233	384,966	61,182	49,916
Saskatchewan General Trusts	308,258	320,048	342,321	....	....	....
Saskatchewan Mortgage & Trust	1,011,834	926,416	950,693	50,403	27,620	27,257
Toronto General Trusts	4,819,568	4,861,673	4,885,872	10,325,117	11,300,342	12,277,392
Trusts & Guarantee	1,760,296	1,738,214	1,728,172	5,864,303	5,913,652	5,961,488
Winnipeg Trustee	271,661	266,273	272,128	121,196	124,763	138,992
Union Trust	1,795,664	1,697,507	1,728,588	5,036,060	4,639,784	4,585,937
Victoria Trust	1,364,505	1,374,120	1,408,561	2,799,925	3,169,715	3,778,975
Western Trust	1,372,957	1,420,407	1,363,518	720,514	712,668	672,706
Winnipeg Mercantile Trust	148,640	140,963	143,914	....	....	....
Waterloo Trust	991,998	971,982	991,615	2,354,174	2,879,206	3,644,290
Total	49,044,869	48,796,279	50,019,878	55,308,666	60,842,755	67,271,709
Equitable Trust	....	713,180	738,655	....	....	....
Executors & Administration Trust	....	127,667	106,708	....	....	....
Occidental Trust	....	153,124	158,541	....	....	....
Osler & Nanton Trust	....	838,729	1,141,254	....	....	....

	Estates, Trusts 1923 $	Estates, Trusts 1924 $	Estates, Trusts 1925 $	Total 1923 $	Total 1924 $	Total 1925 $	Capital 1925 $	Reserve 1925 $
Acadia Trust	1,214,587	1,228,638	1,251,589	1,705,069	1,750,239	1,806,966	200,000	300,000
Brantford Trust	1,528,348	1,866,203	1,887,884	1,862,622	2,202,254	2,225,177	300,000	20,000
British Canadian Trust	247,190	255,543	315,654	309,224	318,432	378,981	48,126	9,000
Canadian Guaranty Trust	2,910,321	3,049,574	3,182,061	3,775,304	3,911,735	4,074,042	299,834	45,000
Canada Trust	9,070,792	9,816,872	10,270,144	15,253,184	16,803,403	17,174,765	1,000,000	750,000
Capital Trust	5,346,075	5,860,258	4,325,012	7,243,021	8,110,195	7,239,991	603,648	60,000
Consolidated Trusts	805,891	883,798	897,052	1,168,163	1,260,434	1,309,974	257,998	[illegible]
Crown Trust	6,247,124	7,899,394	8,358,708	7,416,861	8,746,406	10,325,934	500,000	175,000
Canada Permanent Trust	6,686,570	8,469,584	9,583,145	8,021,172	9,898,971	11,200,879	1,000,000	225,000
Chartered Trust	7,936,682	9,278,100	10,297,180	9,241,449	10,541,641	11,711,539	520,882	50,000
Eastern Trust	32,298,918	34,006,196	34,127,255	35,715,608	37,530,210	38,215,244	1,000,000	100,000
Fidelity Trust, Winnipeg	18,660	....	....	691,328	645,067	642,267	526,800	60,000
Gen. Administration Society	16,933,409	19,597,908	20,134,416	17,602,546	20,287,587	20,888,474	500,000	99,000
Guelph Trust	281,419	315,993	423,650	954,683	1,019,816	1,144,006	299,000	70,650
Imperial Trusts	4,630,408	4,319,806	3,652,299	5,645,594	5,373,834	4,714,403	248,164	50,000
Imperial Canadian Trusts	8,832,636	8,387,661	8,388,365	10,702,925	10,173,281	10,132,308	989,430	170,000
London & Western	12,284,910	14,021,740	15,527,808	13,106,922	14,869,033	16,403,203	500,000	350,000
Montreal Trust	103,758,065	125,364,726	140,884,724	112,541,608	134,477,157	152,867,168	1,000,000	1,500,000
National Trust	144,283,375	124,871,294	128,630,189	126,094,947	138,906,734	143,661,905	2,250,000	2,250,000
Northern Trusts	16,727,854	19,490,814	19,476,297	21,595,072	24,052,709	23,883,356	1,500,000	100,000
Nova Scotia Trust	4,051,771	4,531,088	2,660,478	4,801,847	5,402,402	3,583,564	351,700	55,000
Prudential Trust	4,197,797	4,299,725	4,369,432	5,223,451	5,318,074	5,231,213	686,915	....
Premier Trust	733,317	762,994	774,718	980,960	1,047,759	1,080,392	160,000	15,000
Royal Trust	330,075,874	348,448,527	364,726,231	338,696,460	357,980,209	374,043,565	1,000,000	2,000,000
Standard Trusts	13,251,170	12,750,105	12,439,942	15,655,789	15,058,495	14,841,442	1,000,000	200,000
Sterling Trusts	4,041,954	4,513,166	5,505,798	5,101,718	5,261,329	6,248,947	579,298	75,000
Saskatchewan General Trusts	3,224,477	3,431,302	3,804,500	3,532,736	3,751,351	4,146,821	178,412	80,000
Saskatchewan Mortgage & Trust	1,173,829	1,192,093	1,104,298	2,236,067	2,146,130	2,082,248	832,974	80,000
Toronto General Trusts	122,785,353	127,877,193	135,628,256	137,930,038	144,039,209	152,791,520	2,000,000	2,500,000
Trusts & Guarantee	21,462,846	22,529,562	23,999,519	29,087,447	30,181,430	31,689,179	1,438,257	....
Winnipeg Trustee	2,340,246	2,428,061	2,208,389	2,733,104	2,819,098	2,619,510	151,777	20,000
Union Trust	6,561,946	7,716,317	7,809,877	13,393,671	14,053,610	14,124,402	1,000,000	500,000
Victoria Trust	11,002	84,408	31,283	4,157,433	4,578,244	5,218,820	800,000	565,000
Western Trust	523,008	1,030,955	1,064,269	2,616,479	3,164,030	3,100,494	1,005,000	250,000
Winnipeg Mercantile Trust	98,132	122,622	160,613	246,773	263,585	304,527	106,423	15,000
Waterloo Trust	454,296	498,072	577,977	3,800,467	4,349,261	5,213,882	750,000	200,000
Total	867,025,247	940,649,290	988,478,511	970,841,742	1,050,288,354	1,105,771,108	25,584,638	13,028,650
Equitable Trust	....	108,101	6,288	....	821,181	744,943	554,996	50,000
Executors & Administration Trust	....	39,606	36,296	....	167,273	143,004	91,891	4,565
Occidental Trust	....	....	....	....	153,124	158,541	115,690	....
Osler & Nanton Trust	....	1,863,033	2,086,429	....	2,701,762	3,177,683	650,000	83,484

In March, 1926, the Sherbrooke Loan & Mortgage Co. was changed to a trust company. Figures for the company are included in table of Loan Companies.

DEBT NATIONAL RAILWAYS STILL IS INCREASING

Uneasiness Felt Despite the Improvement in Earnings

OTTAWA.—Parliamentary circles are looking forward to the annual statement of the Minister of Railways on the National system, and meanwhile—with the budget debate in the doldrums—are studying the annual report which was tabled the other day. That report is recognized as the best which the government railways have presented, and there is a general disposition to congratulate the management on the improvement in the operating and other current accounts. There yet remains, on the other hand, considerable uneasiness over the continued increase in the debt and the capital charges.

The net revenue from operation of $32,264,414 had been public knowledge since the end of January, so that the annual report had no surprise in that regard. It contained, however, some new information as to the current income and expenditure outside of the actual operations of the railways. Since January the Dominion bureau of statistics had issued a statement, showing a figure of $27,981,217 as "railway operating income," which was distinguished from the earlier "net revenue" by the fact that it allowed for the deduction of railway taxes and uncollectible railway revenues. This figure, in turn, does not show the amount which is actually available for the payment of fixed charges, the latter being obtained only after allowance is made for both additional income and additional outgo.

The government railway accounts are sufficiently confusing without making them more so, and no attempt will be made here to give the successive steps by which this final result of the current accounts before fixed charges is obtained. Suffice it to say that there were $8,402,044 of non-operating income and $5,835,535 of non-operating expenditures, which led to the figure of $30,443,852 available to meet fixed charges to the holder of railway bonds and to the government. These non-operating revenues and expenditures include such accounts as rent of equipment and income from investments on one hand and hire of equipment and miscellaneous income charges on the other. They also embrace the results, debit and credit, of the separately operated properties, such as the express and telegraph and a number of other subsidiary companies.

Over against this sum of $30,443,852 available for fixed charges there stood $40,438,235 interest on the funded debt and $31,450,381 interest on Dominion government advances, a total of $71,888,616. The current revenues of the system were, therefore, sufficient to pay all but $9,994,383 of the interest on the funded debt—that is fixed charges due to holders of railway bonds; and this was a considerable improvement from the corresponding figure of $23,589,377 for 1924. There was, of course, nothing available to refund to the government the sum of $31,450,381 for simple interest on the monies advanced by the government to the railways. Instead the government has added for interest on funded debt nearly another ten millions to the capital debt already outstanding.

The current accounts of the National Railways, as already remarked, have created a favorable impression; but the feeling aroused by the capital situation has been materially different. The long term debt in the hands of the public at the end of 1925 was, according to the annual report, $931,329,302 as compared with $913,913,082 a year earlier, or an increase of nearly $18,000,000. In addition the capital sum owing to the Dominion government had risen during the year from $1,142,268,434 to $1,188,482,341, the increase being over $46,000,000. There was thus a total increase in the capital indebtedness of the National Railways during the year 1925 of nearly $64,000,000.

It is true that these figures too show an improvement over the previous year. The increase in debt due to the public in 1924 was $90,814,027 and in that due to the government was $28,085,159. The value of the new bonds issued in 1925 was, therefore, over seventy million less than in 1924; but, on the other hand, the increase in the debt due to the government was greater by some eighteen millions. But, while the reduction in the rate at which the railway debt is growing has been received with approval, there is widespread regret that the process of increase is continuing.

The increase in debt has caused the more surprise and disappointment because of a remark made by the Minister of Finance in his budget speech. In the course of his statement he said of the railway accounts, "that no guarantees have been given" by the government. The statement was quite accurate; but has led to much misunderstanding. It applied to the fiscal year, April, 1925 to March, 1926, and not to the railway year, which coincides with the calendar year. As a matter of fact, the government did guarantee issues of $35,000,000 during the railway year 1925; but these bonds were sold in February, a little over a month before the beginning of the fiscal year of which Mr. Robb was speaking. Of these guarantees of $35,000,000 some $17,000,000 was used to retire old issues, while the balance was an addition to the outstanding debt of the railway system.

At the end of December, 1924, the total debt of the National Railways was $2,056,181,518, of which $674,975,273 had been added since 1919, when the government had taken over all but the Grand Trunk. During 1925 there was added to this huge debt, as already indicated, the sum of nearly $64,000,000, bringing the total debt at the end of last year up to $2,119,811,644. For the same date the total sum added to the debt since 1919 was approximately $738,000,000, of which $158,000,000 about has been supplied by bondholders under government guarantee and $580,000,000 by the government itself.

Uniform Trust Newer Idea Than the Community Trust

The recent adoption by the Bank of New York & Trust Co. of the plan known as the Uniform Trust for Public Use, copyrighted by Daniel S. Remsen of New York, calls the attention of trust companies to the need of special provision for the trust which has a broader scope than the merely community trust.

Several of the other New York trust companies have approved the plan and have agreed, it is understood, to act under it if named as corporate trustees.

The plan is complete in all details and, according to its author, makes it possible to draw up a will whereby the donor wishes to dispose of his property for charitable or other purposes and does not wish to limit his contribution to any one community. This, it is said, can be done under the Uniform Trust with a minimum of danger of contests later on.

The testator or donor names a trust company for the administration under his will in which the clauses of the "Uniform Trust for Public Use" are incorporated.

When this is done, he may feel sure that he has provided against the possibility of his trust becoming superfluous or useless as a result in a fundamental change in the charity or the project to which it is devoted.

The plan expressly provides the conditions under which the funds may be administered through committees working with the fiduciary trustee and places power in such a way that the original intention and purpose of the donor is executed.

The community trust, according to bankers, does not meet the requirements of the donor who wishes to make a broad distribution of his gift or charity, but is limited to one community or municipality and is usually administered by a local committee. The tendency has been for such a committee to avoid controversy by distributing funds in such a way as to be least objectionable to conflicting elements in the community, with the result that where the trust is allowed broad latitude as to donations, there is a tendency to avoid distribution among religious institution for fear of criticism from other denominations than those directly benefiting.

The Uniform Trust for Public Uses provides expressly for all contingencies of this kind. It is stated, however, by trust officers that there is really no conflict with the community trust, as the original purpose of the Uniform Trust for Public Uses is entirely different, being intended to serve the donor who wishes wide distribution of his trust.

Furthermore, it is contended by trust officers who favor a more general adoption of the Uniform Trust that the protection of the donor against a change in the character of a beneficiary or the disappearance of the need which originally inspired the establishment of the trust warrants its general adoption,

It is felt also that the additional safeguard which the trust received in the hands of the corporate fiduciary through the co-operation with a committee which is either appointed by the donor himself or which may be selected by the corporate trustee is another strong point in its favor.

Provisions are made for perpetuating the committee. The greatest possible co-operation is obtained with the charitable corporations or other institutions which are to be beneficiaries by a special provision, where the committee or agency for the control of the trust is not appointed by the donor or testator and is selected by the trustee, that it shall be done under the authority or with the approval of the charitable institutions most interested.

U.S. Easy Credit is Getting the Farmer Into Difficulty

(Continued from page 17)

way is it possible for the farmers themselves to put aside their savings, as they have so successfully done in the case of the Grain-Growers' Grain Company and other co-operative organizations, and lend to themselves at whatever rate will take care of a reasonable rate of interest and loss. Under the Danish system, one of the best on a co-operative basis and one which can be recommended for adoption without the slightest fear of criticism from any source, the farmers jointly pledge their security and appoint whomsoever they are pleased to elect to supervise the administration of that credit. There is no suggestion in this of government aid, but as to the United States system its very foundation is government subsidy, expressed tangibly in tax exemption, and also deriving other considerable succour from the public purse.

Growing Troubles of the U. S.

In April last, or about that time, the report of the Federal Land Banks and the Joint-Stock Land Banks in the United States, that is the group which was set in motion by a political movement about 1916, was issued. On page 13 we find that from the inception of the organization to December 311 last, the banks have started foreclosure proceeding on 10,803 mortgages, involving loans and accrued interest in the sum of $40,118,912.

"In number and amount," says the report, "these items are practically double the figures shown in our last annual report." Some considerable space is occupied in the report in carefully explaining the why and wherefore of these foreclosures, and the precaution is taken to prepare the public for adverse news in the future. It says: "If it is necessary for a bank to defer its dividends, such an incident will not be an innovation in American finance, many illustrations may be cited to show that perfectly sound financial institutions have deferred dividend payments that no question should arise about their ability to promptly meet their obligations."

It takes between ten and fifteen years to determine the success of plans of this kind. Already, at the expiration of less than ten years, the seeds of trouble in the federal system are beginning to blossom. This is not at all surprising to anyone experienced in the kind of lending that organization entered upon. Doubtless, if the facts upon which this report is based were subject to such rigid examination and inspection as are the farm mortgage loans of other nationally organized citizen rural credit institutions in Canada, the terms of the report would be much more ominous than they are. In Canada, as well as in the United States, state lending systems are not subject to annual exposures—exposures as to every detail by government inquisitors—as are the private lenders. The losses and gains of these are an open book to anyone who cares to find out what they are. It is impossible, however, to get at the facts, in a similar way, as to any of the provincial rural credit systems. Perhaps the information issued with respect to Canadian state lending is fuller and nearer to what the public should know than is the corresponding information as to the United States experience.

Saskatchewan's Experience

Canada is indebted substantially to the Hon. Chas. Dunning for his frankness in connection with the Saskatchewan experience. In some of the states, notably North Dakota, South Dakota and Minnesota, state lending experience, as in Manitoba, was so disastrous as to defy concealment. The experience of the federal system is so extensive, and the control is in such a tight political grip, as to be able to keep the lid on, and only stray rays of light as to what is actually occurring are recognizable—such rays are those we find in the last annual report of the U. S. government system, and they bear the ear-marks of effort to prepare the public for more direful tidings in the future.

Prior to the institution of the federal farm loans system in the United States, literature was issued indicating that the troubles of the farmer were due entirely to high rates of interest and gouging by public and private lenders. With the removal of these alleged parasitical usurers, the troubles of the United States farmers were to pass away. They would then be able to finance their operations with greater ease and add vastly to the volume of production. The farmer was pictured as being manacled by interests antagonistic to national well-being. Given credit in liberal measure, farmers were to be able to release themselves from the grip of the extortionate usurers. These terms were rolled out by the orators, who pictured the farmer in Acadia amidst plenty and pleasure when free from the bonds of conspiring creditors and placed next to the bountiful resources of state credit.

What has followed this gigantic state lending experiment? Everywhere in the United States to-day there are incessant demands for more credit. A distinguished scholar of Washington thus summarizes the demands in the Chronicle of May 1, 1926:

(1) The Haugen bill, which is an administration measure and which has passed the House;

(2) and(3) The McKinley bill and Oldfield bill, which provide for export bounties;

(4) The Dickinson bill, which takes care of the surplus through an equalization fee;

(5) and (6) The Fort bill and the new Haugen bill, which are modifications of the Dickinson bill, and

(7) The Tincher bill, which is the relief bill of the administration and is supposed to avoid the pitfalls of the other measures.

The learned doctor says: "These measures rest upon certain common assumptions:

"(1) That the farmers of the United States are in dire distress;

"(2) That they cannot rescue themselves;

"(3) That the government can and should come to the rescue by making generous loans or absolute grants of money;

"(4) That a new board should be created to administer this relief from Washington, and

"(5) That, wherever possible, the agencies of relief should be co-operative organizations."

"Relief from Washington," by the magical political wand of the Alberta Progressives can be legislatively adopted as "Relief from Ottawa," but under the caption of "Agricultural Credit."

Anyone who has casually noticed the despatches from Washington during the past decade as to rural credit legislation will have noticed that not a year has passed without some special farmers' relief measure being introduced into the legislature there. The rural credit system, which was urged as vehemently and passionately as to-day Dr. Tory urges it for Canada, has only added to the troubles of the United States farmer. To-day he pays far more in interest and taxes than at any period in his history, and he has less produce out of which to meet these state demands. Probably the worst effect these state experiments have had is that they have destroyed the farmer borrower's credit. He is tied to the wheel of the state and it will have to maintain him in that position until means are found for putting him back on his own feet. The taxpayer will eventually have to assume the burden of doing so. The millions of citizens who bought bonds of the joint stock land banks and federal land banks will undoubtedly indicate to the government at Washington they they bought the bonds under the impression that they were "instrumentalities of the state," and as such the state must assume responsibility. They were put in the same class as public securities "free from all forms of taxation." The administration of the assets of the federal land banks, and the taking of security, were placed in the hands of a government body just as it is proposed to do in Canada. When the reckoning day comes it will assuredly be maintained, and rightly so, that as the government administered the funds placed in its hands for rural credit purposes and promised that the security would be good, then the government cannot honestly repudiate its liability. For the government of the United States to at any time refuse to protect the interest payments on land bank and joint stock bank debentures would be as honest as it would be for the Canadian government to repudiate interest payments due on the securities of the Canadian National Railways. When the farmer rebels against being bled by the so-called rural credits systems, then the taxpayer will have to come to the aid of the bonds secured by the ridiculously high mortgages upon his land.

U. S. Farmers' Heavy Burden

Not infrequently are loans made to farmers in the United States of over $100 per acre. In the state of Iowa $75 and $100 per acre are quite common. In those states contiguous to the Canadian boundary, loans are very generous. In North Dakota the average loan is about $20 per acre; in Minnesota $45 per acre, and in Montana $15 per acre. These lands are not more productive as to volume than those in Canada, where, under the citizen rural credit systems existing, loans are altogether on a lower scale. The consequence is that farm values have been much nearer the real value; that is, the value gauged by what the land earns or produces, than are those of the United States. The institution of state lending there had the immediate effect of putting up land values to an extraordinary point. The average values of land in Iowa for land bank loan purposes is $152.78 per acre. There must in this be included a considerable volume of acreage not worth more than $10 or $15 per acre. The remainder of the land, in order to establish an average of $152.78 per acre, must be valued at up to $300 per acre. The loans of the federal land banks in that state amount to $134,288,881, and those of the joint stock banks to $240,470,168, or considerably more than those of all the lending organizations combined in the three Prairie Provinces of Canada. Nevertheless, the province of Saskatchewan alone produces in volume more than does the state of Iowa. As in other states where advantage is taken of the generous state lending agencies, the farmer finds himself, to use the terms of Dr. Pope, the distinguished United States scholar, "in dire distress." The bigness of the United States system has apparently gripped the imagination of the Canadian type of farm agitator and he has, with such an example, been able to mislead many agriculturists and their sympathisers.

There are not a few of the members of the Dominion House and statesmenlike politicians who ought to be in the House, who have courage enough to point to the facts and to say to the farmers that the less they have to do with borrowing from the state the better it will be for them. In the institutions which the farmers have themselves established, such as the Grain-Growers' Grain Company, the Saskatchewan Elevator Company, and the Wheat and other pools, where the state has not had a controlling or directing hand, they have been successful. This way of co-operation is wide open to them. They have it in their power to remove the restrictions and priorities which have practically barred the legitimate credit supply out of their province. They have, however, the power to organize their own rural credit system, based on their own security and subject to their own way of administering it. Doing their own business in their own way without recourse to the state, or "relief from Ottawa," appears to be the logical solution of their own difficulties. It is the pseudo-politicians who, for political preferment, lead them into alluring depths of state credits from which the egress is fraught with much greater difficulty and disaster than getting rid of undesirable relationships with private concerns. The latter adapt themselves to circumstances from time to time, but when once the farmers' business gets tied up with the state, then an irretrievable step has been taken along the lines of Bolshevism and credit destruction.

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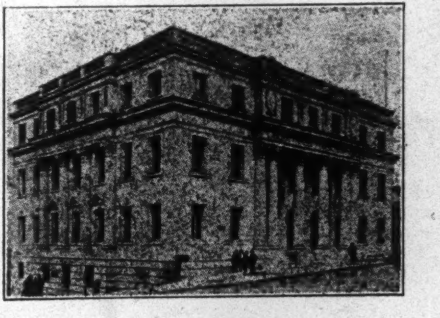

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How Farmers Are Meeting the New Conditions in Agriculture

Diversified Crop Program Making Headway in the West — Commercial Community Has Vital Self-Interest in Success of Farming

By A. J. M. POOLE,
President, United Farmers of Manitoba.

At a dinner given by the Dominion Mortgage & Investment Association in Toronto a couple of years ago, at which delegates to the annual meeting of the Dominion Council of Agriculture being held in the city were guests, those present were particularly impressed with the practical, straightforward address on the problems of the farmer in relation to business and finance by A. J. M. Poole, president of the United Farmers of Manitoba. The following article by Mr. Poole gives a review of the present agricultural situation in Manitoba largely taken from his address at the annual convention of the U. F. M. at Brandon in January last.—Editor.

OWING to a considerable increase in agricultural production, and the maintenance of pair prices, there are indications of some improvement in the general position of agriculture. The fact remains, however, that the present prevailing conditions do not yet permit of the securing of results in farm operations that will produce the necessary contentment if our young people are to be kept on the farm.

The problem of making agriculture the attractive and contented occupation it ought to be will not be solved by attempts made to bolster up what is after all largely a false optimism. For example, a gentleman representing a large business institution in the East, while on a trip through the West last spring, was reported in the press as saying: "There is a quiet confidence in Alberta and Saskatchewan that is very convincing. I wish the same could be said about Manitoba. The spirit of pessimism prevalent to a certain extent in this province will not help to build up western Canada one bit, especially when no reason for such a spirit exists." Others express abundant faith in the ability of the country to "come back" and that ere long we will again be enjoying a prosperity such as was never before experienced, and will suggest that the restoring of this prosperity will largely be brought about by the farmers engaging in more diversified farming and improving the quality of their products.

We fully appreciate the fact that these expressions of optimism are the popular thing, and that it is not popular to take exception to them. Yet the idea is too common that if we only think and talk prosperity we will be prosperous. There is a great deal of truth in the inscription on a banner carried by a parade of unemployed a while ago, which read: "They tell us prosperity is just around the corner, but where in hell is the corner?"

Business and Agriculture

As I see it, a necessary requisite to an economic betterment of agriculture is a frank and honest acknowledgment on the part of the business world outside of agriculture that there is no justification for the view that the problem of permanently establishing our farming industry is entirely solved.

In an address delivered at a meeting of the National Industries Board of the United States, Mr. Alex. Leggie, president of the International Harvester Company, as reported in "The Agricultural Review" for November, said in part: "The recent improvement in agricultural conditions, and the present satisfactory price-level of most farm products, cannot safely be taken as indications of permanent stability."

With the major portion of the commerce and industry of the country coming directly from the production of our farms, it is obvious that the commercial community has a vital self-interest in the development of agriculture.

In an address early in the year, Herbert Hoover, secretary of commerce in the United States, said: "After seven years of constant study and practical dealing on an unprecedented scale with the board economic currents of production and distribution, I have the conviction that the first thing needed in aid of the farmer is a positive long-view policy for the better setting of agriculture in our whole national economy."

Diversified Farming

We fully appreciate the need for more diversified farming and improving the quality of our products as a means to the solution of the farm problem. Our farmers are steadily recognizing that we must do something more than grow wheat. Conditions are forcing us to a realization that we must adopt a system of crop rotation and a more balanced method of farming, adopting the best methods of soil tillage and supplementing our revenue from the grain crop with livestock, poultry and dairy products.

The extent to which our farm people are adjusting their methods of farming is proceeding just about as fast as can be expected under the circumstances. It is not easy to change readily from a straight grain-growing proposition to a more diversified method, and the process is particularly slow if you have not the ready capital to assist in making the change. For example, I know a farmer who has a poor excuse for a poultry house. His wife made this proposition to him: "You get me a poultry house and I will show you what poultry can do." He is convenient to a sawmill and could get the lumber for a good poultry house at approximately $100, but he has never been able to get ahead enough from the proceeds of his grain crop to have $100 in cash to put into lumber. The result is they are doing without the poultry house, and, incidentally, the extra revenue the wife would bring in from poultry.

Need for Credit

This suggests an immediate need of agriculture and provides an opportunity to our loaning institutions for making contribution to the developing of our basic industry. But, in addition to money being provided for long-term loans at reduced rates of interest, something must be done to provide intermediary loans on terms that will facilitate and stimulate primary production.

The farmer realizes that in addition to improving his methods of farming he must build up his own co-operative marketing enterprises. The recently organized Grain Pool, the United Grain Growers', Ltd., the Manitoba Co-operative Dairies, the Cattle Pool, the Egg and Poultry Pool, are all institutions created for the purpose of enabling the farmer to market his produce economically and efficiently that he may secure the greatest returns possible for his produce, all of which we hope to see grow and become more efficient.

What About Markets?

We must, however, recognize the possibility of the farmer after he has adjusted his method of farming to a more diversified system and has speeded up in the quantity and quality of his livestock, poultry and dairy products, finding himself without an available market. What will be the result, if, after having done these things for a few years, he finds he is no better off? Will it not mean a further breaking down of the morale of our farm people and the development of a more intensified feeling of discontent and hopelssness, with an inevitable depressing effect on our whole business and economic structure? If the farmer does his part in speeding up production, is he not justified in asking that all other interests equally concerned in the successful development of agriculture, co-operate with him in securing adequate markets and reducing costs of production? It will avail us little if we are efficient in the production and marketing of our produce and then lose the profit of our labor through heavy transportation costs, high taxation, excessive rates of interest and lack of a consuming market.

We have achieved considerable success in organizing the marketing of the farmers' produce. Perhaps it would be in order to suggest to our membership that future development might lie in the direction of organizing the buying power of the farmer. Such a step would be a gigantic undertaking, fraught with great possibilities, destined possibly to revolutionize the commerce of the province, but also beset with difficulties that may be regarded as perilous. Perilous because a study of co-operative buying in other countries has shown a high percentage of failures. Perilous because in our own province co-operative buying has only in a few cases been successful and in most cases disappointing.

Through more efficient and skillful farm management and operation; through better organization of farm marketing and economical purchasing of farm supplies; through the elimination of waste in our whole production and distribution; through a recognition of the fact that the farm problem does not stand alone, but is intertwined with the welfare of all our people; through sound national policies; with energy and straight thinking for their consummation, I believe that progress, while it may at times be slow, will be certain and that agriculture despite the depression and misery it has passed through may become the brightest spot in our whole economic system.

DIRECTOR TORONTO GENERAL

P. J. MYLER, Hamilton, president of the Canadian Westinghouse Co. has been elected to fill the vacancy on the directorate of the Toronto General Trusts Corporation caused by the death of the late Robert Hobson. Mr. Myler is a director of the Bank of Toronto, and a director of the Landed Banking & Loan Co.

On Making a Will

American Bankers Association.

It is a strange fact that so many people who give their utmost efforts to accumulating property — not for themselves, but for the comfort and protection of their families—neglect, in all their calculations, to provide the very link which will insure the accomplishment of their objects.

The court records show that every year millions in property, in various forms, is left by men to be disposed of in accordance with the law, and to be administered by those whom the court appoints.

Unless a man makes a will and directs what shall become of the money and the things which he leaves, the law determines what shall be done with the property. The legal provision which is made for a wife and children may not be what a wise and prudent husband and father would have directed. The law is not unfair in these things—it is merely inflexible. Laws cannot be written to cover individual cases.

There is another matter almost as important as directing who shall receive the property after death—and that is, who shall handle it for the benefit of those left behind. This is, indeed, a very vital matter. It is every man's privilege to decide this in his will. If he does not, it is the court which names the administrator of the property in the manner provided by law. Frequently, this means not only the choice of someone whom the head of the family would not have selected, but it may result in added expense and delay in the administration of the estate.

Every individual should take this matter of will-making not only as his privilege, but his duty. It is not something which should be thought of as troublesome; as something that "can wait"; as something that must be made once for all time. Making a will, in most cases, is no more difficult than taking out life insurance, and yet you will meet very few people with family responsibilities who have neglected to avail themselves of life insurance. Furthermore, a will can be changed at any time, to suit changed conditions.

The neglect to make wills is chargeable to two main causes: First, to Ignorance—ignorance of the simplicity of making a will; ignorance of the tragic results which may follow when no will is made; ignorance of the great advantage in leaving a will; ignorance of the economy it may insure in the administration of an estate.

SAYS N. S. GOLD IS DOWN 3,000 FT.

SYDNEY.—A recent revival of interest in the Guysboro goldfields has received fresh impetus from John MacMillan, veteran Federal geologist, who conducted the first geological survey of Guysboro county. "There is a new Klondyke in Guysboro," he says, "both in quartz and placer deposits, but the latter have yet to be located. Previous attempts to mine the rich quartz have failed because of the methods adopted.

"You must dig deep for Guysboro gold," he says, "go down 3,000 feet as they do in South Africa. The first corporation with sufficient capital to work this field properly will reap fabulous wealth."

Government drilling for oil at West Lake, Ainslie, C. B., this summer, will be a failure, the veteran says, because his surveys led him to believe the oil basin lies under this lake itself, and only by draining this will the main reservoir of Cape Breton oil ever be tapped.

Community Trusts in Fifty-Eight Cities

Tabulated responses to a questionnaire sent out by Frank J. Parsons, 55 Cedar St., chairman of the Committee on Community Trusts of the Trust Companies Division, American Bankers' Association, show that community trusts are now organized in 56 American cities, with an additional one in Honolulu.

The largest immediately available fund—$4,400,000—is held by the Boston organization. The largest prospective funds, represented by provisions in various wills that will eventually produce approximately $100,000,000, are pledged to the Cleveland Foundation.

An unusual feature of recent operation has been the use of the Community Trust plan in several cities for the administration of real estate. James A. Patten, Chicago grain magnate, has directed a grant of $1,500,000 worth of Cook County land through the Chicago Community Trust. A tract near Peoria is being made into a recreation centre by the Peoria Community Trust. The New York Community Trust lately announced the acquisition of "Sunnyside Park," two and a half acres in Long Island City, from the City Housing Corporation.

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A. J. Wilkes, K.C. E. A. Mott
A. K. Bunnell, F.C.A. F. Grobb
W. G. Helliker, Manager

Authorized Capital	$1,000,000.00
Reserve Fund	540,000.00
Total Assets	3,000,000.00

GUELPH AND ONTARIO
INVESTMENT and SAVINGS SOCIETY
Incorporated A.D. 1876

Deposits Received Debentures Issued
Money to Loan on First Mortgages

GEORGE D. FORBES, President
J. M. PURCELL, Manager

Head Office:
GUELPH, ONTARIO

The Guelph Trust Company
Managed in connection with Guelph and Ontario Investment and Savings Society.
Acts as Executor, Administrator, Trustee, etc.

Safety Deposit Boxes for Rent.

W. E. PHIN, President
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Head Office:
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The Best is the Cheapest

HARTERED Trust and Executor Company provides the skill and experience necessary for the wise and careful administration of every estate.

It is admitted that a Trust Company gives greatly better service as an Executor than does an individual. It receives no remuneration except what the Court allows, and in this respect the Court makes no distinction between personal and corporate executors. The maximum remuneration as a rule allowed by the Court is 2½% of the total realization and of the total distribution; and in the majority of cases, where there are no difficult circumstances to deal with, the remuneration is usually less.

Conferences without obligation and in confidence are invited with references to any aspect of this Company's Service.

17

CHARTERED TRUST & Executor Company
46 King Street West, Toronto

HON. W. A. CHARLTON, President
JOHN J. GIBSON, General Manager.
STRENGTH SERVICE SECURITY
W. S. MORDEN, K. C. Vice President and Mgr. of Trust Department

Life Insurance Companies Are Large Investors in Mortgages

As Group Are Largest Investors in Canada and Have Extensive and Efficient Departments to Study Investment Problems

THE life insurance companies are the largest investing group in Canada, and their experience is therefore valuable to the investor. They have already invested more than half a billion dollars in various ways and the great basis for their investment has always been loans on real estate. There have been times when these were marginally exceeded by municipal securities, but this has not been the case since 1881. The insurance companies have found it necessary to set up extensive and efficient machinery to handle the investment of such sums. This department of the leading life insurance companies would include an investment committee of the board of directors, an investment research department, an extensive statistical department and a large staff of treasury officials. With such an organization, investment comes close to being an exact science.

The Canadian Insurance Act makes the following provisions with regard to mortgage loans:

1. Allows a company to invest in mortgages on real estate in Canada or elsewhere where the company is operating.
2. The loan must not exceed sixty per cent. of the valuation.
3. No loan can be made to directors or officers.

The questions of whether a portion of a company's funds is to be placed on mortgage loans, or whether a particular loan is considered satisfactory, are, of course, matters for the directors to decide, but the investigation of title and the various points connected with the completion of the loan are matters for the solicitors of the company to determine. Of the various classes of a company's investments, there is none that requires the help of the company's solicitors so much as that of mortgages.

Going back to 1881, Canadian life companies had $2,098,917, invested in real estate mortgages. This amounted to 30.68 per cent. of their total investments. A decade later the amount had increased to $9,947,204 or 42.96 per cent. of their total investments. This represented the peak from the standpoint of percentage of the total. From then on, the proportion of investments in real estate mortgages gradually narrowed until it reached 25 per cent., and has remained stable around that point. The volume of real estate mortgages held gradually grew, of course, as the size of the companies increased. In 1900 approximately $20,000,000 was invested thus; in 1911 the total was $63,000,000; in 1918, $91,000,000; in 1921, $119,000,000 and in 1924, $175,905,264. This represents 23.98 per cent. of the total holdings. There were, of course, fluctuations between these decennial years. In 1914, for example, 36.76 per cent. was in mortgages. There has always been a tendency for western companies to invest a larger part of their funds in town and farm mortgages, whereas the assets of the eastern companies have been more diversified. In 1922 there were 19 straight line life insurance companies operating in Eastern Canada and six in Western Canada. The relative investments of these companies at that time were in the following proportion:

	Eastern Companies	Western Companies
Dom. Prov. & other govt. bonds	17.19%	9.64%
Municipal & school bonds	16.34	9.69
Railway bonds	.31	
Pub. Util. & Industrial bonds	12.56	5.58
Stocks	5.82	1.44
Mortgages	22.61	47 78
Real estate	3.63	2 32
Policy loans	13.99	14.16
Other assets	7.25	9.39
	100.00	100.00

In the event of default by the mortgagor in making payment as required by the terms of the mortgage deed, the mortgagee has certain remedies, as follows:

The mortgagee may issue on the personal covenant given by the mortgagor for the amount of the debt.

The mortgagee may bring an action to "enter into possession" which, if granted by the court, entitles him to hold the mortgaged property until the amount of his debt has been discharged out of rents, profits or otherwise.

The mortgagee may bring an action to have the mortgage "foreclosed," i.e., unless the mortgagor is able to repay within the time extended to him by the court, he will be foreclosed from his equity of redemption and the title to the property will pass to the mortgagee.

The mortgagee may apply to the court to have the property sold, in which case the sale will be carried out under the direction of the court and the debt paid out of the proceeds, if sufficient; and if insufficient, the mortgagor will be ordered to pay the deficiency.

If the mortgage contains a "power of sale," the mortgagee can, in case of default, sell the property without reference to the court. In certain provinces, for example, Ontario, all mortgages are declared by legislative enactment to include a power of sale.

In the Maritime Provinces and partly in Ontario and Quebec, real property is held and conveyed under a system based on the law of real property of England, and the mortgage deed described above comes within this system.

Under this system, on purchasing property you have your solicitor "search the title," and he examines each sale, transfer, mortgage, etc., sometimes as far back as the original grant from the Crown, to see that the title has emerged free of encumbrances. Later on, if you should sell this property, the solicitor of the new purchaser covers the same ground. There is thus involved much time and expense in having the same ground covered over and over again and even at best the purchaser has to depend solely on his solicitor's opinion that his title is clear.

The Torrens System

In the provinces of Saskatchewan, Alberta and British Columbia, and partly in Ontario and Manitoba, an entirely different system has been established, called the Torrens System. Under this system, should you purchase a property, your solicitor has to go back only to the title of the person from whom you are purchasing. He will have had, let us assume, a clear title, which will be evidenced by a "certificate of title" issued by the "Registrar." Here the Registrar takes responsibility for the correctness of the documents registered with him, and, having satisfied himself, issues a clear title. Your solicitor, therefore, does not go back of this title, but simply sees that any charges since made are cleared away, presents the documents to the Registrar, and obtains a "Certificate of Title" in your name.

Under this Torrens System, a mortgage does not involve the transfer of the land by the debtor to the creditor, but takes the simple form of a registered charge against the land. In the working out of the system, many complications arise, and it is as necessary to employ a solicitor as in the older system, but the points to be emphasized are: That there is no need to go back of the title issued to the present owner; and once a certificate is issued, you have an absolute title guaranteed by the "Assurance Fund" while under the old system you simply depend on your solicitors' opinion that your title is good.

System in Quebec

In the province of Quebec in the place of the mortgage, you have the "hypothec," which is simply a registered charge on land to secure the fulfilment of an obligation. It has two main characteristics: It does not deprive the debtors, even when in default, either of the possession or the ownership of his land.

It gives the creditor, upon the debtor's default, the right to call upon the holder of any part of the hypothecated land to surrender it, so that it may be sold judicially, and the creditor paid by preference out of the proceeds in accordance with his rank. It is only when the land has been thus sold that the debtor loses the ownership and possession, without possibility of recall. To create a so-called conventional hypothec, i.e., a hypothec resulting from agreement between the parties, the following conditions must be observed:

(1) The obligation must be set forth in the deed.

(2) The deed must be executed in authentic form. It must be executed before a notary, who keeps it as a record in his office and delivers certified copies to the parties.

(3) The deed must contain a description of the land.

(4) The sum for which the hypothec is granted must be certain and determined by the deed.

(5) The deed must be registered.

The remedies of the creditor under a hypothec in the case of default in payment of principal or interest are: He has a personal action against the debtor, and, on obtaining judgment, may execute it against the property, both movable and immovable, of the debtor in his debtor's possession, including the land hypothecated, if still in his debtor's possession. If the land hypothecated is no longer in the debtor's possession, he can take the hypothecary action to realize on the security, the issue being confined solely to the creditor and the holder of the land.

West Not Calling for Amortization

WINNIPEG.—Mortgage company men in Winnipeg are not convinced that there is any demand for the amortization plan in farm loans, or that it would work out satisfactorily if adopted as is proposed in connection with the federal farm credit scheme. In the first place experience has shown that farmers, even when offered loans for ten years, have preferred to take them for five years in the expectation that they would be able to pay them off in that time. Experience has shown too that agricultural income in the West is not dependable. When diversified farming becomes thoroughly established it may be possible that the amortization plan will be suitable but up to the present, unless farmers have had a good crop, as a rule they have not wanted to pay more than the interest on the loan. Even in seasons when the crop reported from the country is good there are generally areas that are pretty short and in these the mortgage companies have to carry their borrowers even as to interest. The amortization plan depends for its success on the payment of instalments regularly and if payments are not regularly the whole calculation is upset.

LIMITED FIELD FOR DESIRABLE N.S. MORTGAGES

Industrial Difficulties Have Added to General Depression

By H. F. BETHEL,
Manager, The Acadia Trust Company.

The field for desirable loans in Nova Scotia in 1925 was very limited and so far in 1926 there is little indication of improvement. The entire province is passing through a period of depression which as yet shows little sign of improvement. The "tie up" of the mines in the eastern part of the province has made that field particularly difficult because of lack of development and building ability on the one hand and the steady drop in the values of real estate on the other. Collections of mortgage interest have been difficult and hazards of foreclosure great on account of lack of demand, and the companies generally have been working away at their old mortgages and granting no new ones. This condition also applies to such towns as are dependent on industries.

In central Nova Scotia, the Annapolis Valley region and the South Shore where people are dependent on dairying, farming, apple growing, fishing and trading, conditions have been normal and while there has been very little expansion, loans are met promptly with very little mortgage interest in arrears.

Conditions in the City of Halifax owing to the confused state of taxes have made loaning somewhat difficult, calling for particular caution as to clear titles, many of the properties having heavy tax arrears constituting a prior claim to mortgages. Mortgagees who have not been cautious enough in the past to secure information of mortgagors' taxes paid, are not unlikely to receive surprises when they now start to investigate.

There are signs of some development this year, and hopes of a gradual return to normal conditions, but nothing which will constitute much demand for loan or trust companies' funds which because of lack of demand and general conditions are being forced temporarily into other channels.

Will subscribers in Eastern Ontario, who, within the last two months, have paid subscriptions to our former representative, Mr. B. F. Murray, kindly notify us, as several of the records have gone astray?

THE MACLEAN PUBLISHING COMPANY LTD.,
143 University Ave.,
Toronto, Ont.

Toronto Savings & Loan Company

437 George Street
PETERBOROUGH

Paid Up Capital - - $1,000,000.00
Reserve Fund - - - $1,200,000.00
Total Assets - - - - $5,165,331.87

BOARD OF DIRECTORS
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Vice-Presidents — W. G. MORROW, LEIGHTON McCARTHY, K.C., and RICHARD HALL
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DEPOSITS RECEIVED of One Dollar and upwards. 4% interest paid half-yearly.
DEBENTURES ISSUED for sums of $100 and upwards in terms of one to five years, bearing special rates of interest, depending upon term of investment.

W. G. MORROW,
Managing-Director.

Capital: $1,000,000
Reserve: 350,000

Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults

THE
EASTERN TRUST
COMPANY
Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

The Saskatchewan Loan and Investment Company Limited
Head Office — Moose Jaw, Sask.
Investments—Mortgage—Loans
Capital Authorized $1,100,000.00
Capital Subscribed 409,800.00
Capital Paid Up 352,475.69
President, E. N. HOPKINS, M.P. Vice-President, J. H. KERN.
Directors
E. N. Hopkins, M.P. J. H. Kern Arthur Hitchcock
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J. H. Grayson Thos. Bennie John D. Fraser W. H. Beesley
W. D. McIntyre - Secretary

Crown Trust Company
Executors - Trustees - Financial Agents

AUTHORIZED CAPITAL - $1,000,000
PAID-UP CAPITAL - 500,000
RESERVE FUND - - 175,000

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Enquiries regarding the Company's services, either by interview or correspondence, are cordially invited.

OFFICES and SAFETY DEPOSIT VAULTS
233 ST. JAMES STREET :: MONTREAL

BONDS
for Safe Investment

Dominion Government Bonds

Amount	Security	Rate	Maturity	Price	Yield
$ 50,000	Dominion of Canada	4½%	Feb. 1st, 1946	Market	4.80%
50,000	Dominion of Canada	4½%	Oct. 15th, 1944	Market	4.80%
40,000	Dominion of Canada Guar. C.N.R.	4½%	Sept. 15th, 1954	95.25	4.81%
60,000	Dominion of Canada Guar. C.N.R.	5%	Feb. 1st, 1954	102.25	4.85%
15,000	Dominion of Canada Guar. G.T.R.	6%	Sept. 1st, 1936	108.50	4.95%

Provincial Government Bonds

Amount	Security	Rate	Maturity	Price	Yield
40,000	Province of Ontario	5%	Oct. 15th, 1948	102.05	4.85%
50,000	Province of Ontario	4½%	Sept. 1st, 1944	96.35	4.80%
20,000	Province of Ontario Guar. Hydro Elect.	5%	June 15th, 1939	101.23	4.88%
25,000	Province of B.C.	4½%	Jan. 15th, 1951	95.00	4.85%
15,000	Province of Alberta	5%	Apr. 1st, 1943	101.14	4.90%

Municipal Bankers Bonds

Amount	Security	Rate	Maturity	Price	Yield
200,000	Municipal Bankers Dollar for Dollar	5¾%	Feb. 15th, 1946	100.00	5.75%

Municipal Bonds

Amount	Security	Rate	Maturity	Price	Yield
50,000	City of Toronto	4½%	Nov. 1st, 1939	96.08	4.90%
15,000	City of North Bay	5½%	Mar. 2nd, 1941	104.65	5.05%
16,000	City of North Bay	5½%	Mar. 2nd, 1943	105.05	5.05%
20,000	City of Edmonton	5½%	Nov. 1st, 1945	101.00	5.42%

MUNICIPAL BANKERS
Corporation Limited
Government, Municipal and Mortgage Bonds
34 KING STREET EAST TORONTO

SEES WHEAT POOL AS A GREAT BOON FOR AGRICULTURE

Enables Farmer to Finance This Year on Last Year's Crop

Opinion is divided in Western Canada as to the economic soundness or real benefits to be derived from the wheat pool but there can be no denying that there are points in favor of the arrangement. Some of these were mentioned in a recent address by Premier J. G. Gardiner, of Saskatchewan, who declared that the pool had proved itself the greatest influence for good in the history of Western agriculture in that it enabled the farmers to "finance this year on what they grew last year."

"I am confident that President McPhail would be the last to claim that the pool method of marketing has established itself beyond the possibility of a doubt," said Mr. Gardiner, "But I do think that every financial institution, every loan company, every implement dealer, yes, every business man in Saskatchewan at least, outside of the grain trade will say that the province has benefited to date from the existence of the wheat pool. It is not necessary to prove that we have received one cent more for our wheat in order to establish that fact. There are benefits which are apparent to all. The greatest drawback to sound development of our chief industry in this province has been the necessity to market seventy-five per cent. of our wheat in three months. The objectionable features of the grain exchange, unnecessarily high freight rates and relatively high interest rates in the west can be to a considerable extent traced back to that one fact.

"Millions upon millions of bushels of wheat in storage upon which payment in full has been made to the farmer necessitated futures hedging and the possibilities of loss and gain to the middle man which brought about the very nature of the wheat trade. Twenty-five to thirty thousand box cars with four or five hundred engines standing idle the greater part of the year on our railways to be prepared to handle the rush of wheat over three months in the fall, is bound to raise freight rates on our wheat and other commodities. Railway companies cannot pay the interest on the capital involved without additional freight rates. Human nature is the same among farmers as among any other class of our people. Money burns holes in the pockets of most of us. The man who secures all his earnings for the year at one time is liable to find himself in a few months short of cash and under the necessity of going to the bank to borrow at a high rate of interest to carry him over to the next crop. Why a high rate of interest? Because neither the banks nor myself know whether the Lord is going to give me a crop or not and the element of risk is so high that my interest rate has been high. The pool has within its power, to distribute the marketing of our wheat over the twelve months, to pass on any risk involved in so doing to the farmers who purchased the wheat and thus avoid the necessity for futures and hedging which has been of necessity part of the grain exchange method; to spread the payment for our wheat over the whole year, thus partly removing the necessity for short time loans and putting us in a position where we should be able to secure money in long time loans at a lower rate of interest. The farmers of this province through the pooling method should find it possible to finance this year on what they grew last year, and if they do that the wheat pool will prove itself the greatest influence for good that has come to agriculture since the opening of the West."

INSTITUTIONS READY TO AID IN GETTING CHEAPER LOANS

(Continued from page 17)

gages form the greater part of the total prior charges, as shown above, as the details following show:

Dominion Seed and Relief Liens	$9,507
Miscellaneous taxes, including various priorities	3,165
Co-operative Society Liens	2,285
Hail Insurance Taxes	627
Hospital Fees	231
Mechanics Liens	1,600
	$17,416

If the company providing rural credit to the extent of $11,600 foreclosed the twelve loans made, it would have to pay off the amount of $17,416.48 before it could get title. It would then have a charge against the land in question of $34,014.85, a sum considerably greater than the realizable value of the land. Doubtless these loans will mean to the company which made them practically a total loss. They are by no means exceptional, and every extensive lender in Alberta can furnish similar cases.

Co-operative Lending in Alberta

In the above list of prior charges it will be noted that co-operative society liens are a considerable factor. Few people are aware that these co-operative societies in the province of Alberta have exceptional privileges. They deal in almost anything and to secure their accounts have power to take a lien or charge on personal property, including growing or future crops of the borrower, and their certificate has the same effect in priority as a seed grain chattel mortgage. An important amplification of their power was given by the Alberta legislature in April, 1921, and in the following year one of the most extensive lenders in that province brought to the attention of the supervisor under the Alberta Co-operative Credit Act the following case:

1 Mortgage to the Company	$1,200
2 Caveat by the International Harvester Company.	
3 Mortgage to the International Harvester Company	5,795
4 Dominion Government Seed Grain Lien and relief lien, which, with interest to March 1920, amount to	1,149
5 Mech. Lien by Beaver Lumber Co.	284
6 Seed Grain Lien by the Municipality	600
7 Lien by mortgagor to the Co-operative Credit Society	2,044

It will be noted that no taxes are included in the above list of charges, nor is any mention made of the arrears of interest then due on the company's mortgage. Before the company lender in the first instance could obtain title by foreclosure, he would have to pay off liens amounting to over $4,000 and also legal expenses. Here, again, is a case where the "first" mortgage was a total loss due to priorities. Despite the desperate position in which the mortgagor had placed himself, the secretary of the Co-operative Credit Society informed the so-called first mortgagee that it was the intention of the society to give the mortgagor further financial assistance and add remoteness to the possibility of the mortgagee ever recovering a cent of his advance.

There are innumerable cases such as have been quoted and which are well known to anyone who desires to really fathom the question of rural credits from the standpoint of the province of Alberta, from which the demand for Dominion government loans is so insistent. From 1916 onwards numerous conferences have been held between farmer borrowers' representatives and mortgage lenders, and at each conference it has been practically the unanimous decision of representatives of all classes that the first step towards the easement of the position of the Alberta borrower was the removal of the prior liens. Equally consistent has been the attitude of the Alberta legislature in taking the opposite course. This but in part explains the great difficulty which the Alberta farmer at the present time has in obtaining loans on the security of his land. The fact is that the provincial government by its prior liens, and its various provincial taxes directly on land, has made it impossible for the farmer borrower to offer his land as security, as no law of his province makes his pledge of it, or a first charge upon it, binding. His personal covenant has been made valueless, and, since it received its statutory derogation in 1916, there has not been any improvement in personal regard for the mortgage contract, but, on the other hand, readiness to subvert the "first" mortgage to "priorities," the institution of which is largely due to exploitation of farmers' sympathies by politically ambitious adventurers, has increased.

Will Stabilized Bond Eliminate the Gamble in Bond Investment?

Claim is Also Made That it Will Cut Down the Extreme Fluctuations in the Business Cycle—Unknown in Canada

By S. J. ZACKS

For the first time in history, a bond issue has appeared of which both principal and interest are corrected as to purchasing power. This stabilized bond represents an innovation in industrial financing. The idea of issuing such a bond originated in the mind of James H. Rand, Jr., president of the Rand-Kardex Co. When the Index Visible Inc., merged with the Rand-Kardex Co. last July, $350,000 of stabilized bonds were issued. The underlying feature of this type of bond, is that the sums due under it either for interest or principal, are fixed not in dollars but in purchasing power, the number of dollars due from time to time being adjusted through the United States Bureau of Labor Statistics. The bonds are debenture bonds dated July 1, 1925, run for thirty years, and pay 7 per cent. interest. Both principal and interest are to be increased or decreased according to the rise or fall of the index number. For each 10 per cent. rise or fall of the index number 10 per cent. is added to or subtracted from any payment due. Smaller variations than 10 per cent. are left unadjusted. The index number employed is that for the wholesale prices of the United States Bureau of Labor Statistics.

The application of an index number adjustment to bonds is a completely new idea, although wages and salaries have been stabilized in the past as to purchasing power. During the period of the tumble of the mark, many German firms attempted index number adjustments for wages. A great many firms in England during the war and since then have paid wages adjusted to purchasing power. In the United States many organizations have employed this method for wages. It has not yet been tried in Canada.

Professor Irving Fisher, of Yale University, ("Prince of Stabilization Theories") firmly believes that other companies are likely to take the advantages to be gained from an issue such as the Rand-Kardex. Mr. Rand and Mr. Fisher, in making this issue, hoped to take the gamble out of business and out of bond investments. Mr. Fisher believes "that the investment world is just beginning to realize that the ordinary bond is not the safe, sane, and stable thing which from time immemorial it has been believed to be." Incidentally he thinks this is one of the fundamental causes for the great change in the method of financing, namely, the substitution of stocks for bond issues, and the recent evident investors' preference of stock issues for investment purposes.

Purchasing Power Varies Widely

Although bonds have always afforded a safe and stable money income, and although the risks from default have been slight, yet it must be admitted that in periods of rising prices the bondholder, with his steady income, finds his purchasing power greatly diminished and his principal greatly reduced in terms of purchasing power.

In the United States the fluctuations of the purchasing power of the dollar have varied from 40 pre-war cents in 1865, to 150 pre-war cents in 1896, and then back to 40 pre-war cents in 1920, while now it is worth 63 pre-war cents. A similar fluctuation has taken place in Canada, although not recorded for many years back.

Perhaps the best illustration of how purchasing power of money varies would be to refer to the recent German catastrophe. While prices daily increased, sometimes rising 100 per cent. in a day, persons with fixed or contracted incomes soon felt the pinch and found that the money income was insignificant. Mr. Fisher gives us an actual case. He says: "I know the case of a woman who was left $50,000 in 1892 and has received $2,500 as interest ever since. She was told by her trustee who had invested this that the principal which was in bonds was still intact in 1920, but $50.000 in 1920 was not the true value of the original principal. Rather would $150,000 have been the true original value in 1892. This woman, while she was supposed to be living on her income has really been eating up two-thirds of her principal, for she really lost $100,000 out of the $150,000 which she ought to have had."

Who has been the winner or gainer of these fluctuations in price level? Invariably it is pointed out that it is the stock holder whose investments showed higher yields and appreciation in principal during periods of rising price levels and increasing profits. Does not the income of the bondholder increase in purchasing power value during periods of falling prices? Yes, but the periods of falling prices have not been as long as the period of rising prices. Recently a number of books have appeared such as Edgar L. Smith's "Common Stocks as long Term Investments" and Kenneth Van Strum's "Investment in Purchasing Power" which prove statistically that bonds not only have yielded less than well-selected and diversified stocks, but that their income has been less steady when reduced to actual purchasing power. The stockholder then has profited at the expense of the bondholder and it appears that in the long run there is a greater gamble in bonds than in stocks, for the bondholder gambles in the changes of the purchasing power of the dollar.

We have come to the stage where we realize that bondholders do suffer great injustices in their investments and that their actual return is not as safe and stable as is commonly believed. We now ask ourselves will the gamble be taken out of the bond investment, by a stabilized bond, or must we seek other channels such as the "Investment trust" or actual investment in common stocks, in order to correct our investments for purchasing power? Secondly, will the fluctuations of the business cycle be reduced by a stabilized bond?

As a corrective it is claimed that the stabilized bond undoubtedly could reduce both the vagaries in purchasing power of bond income and principal as well as the fluctuation of the business cycle. The easiest bond to sell is the simple one. The public wants to know what it buys and, generally speaking, they are suspicious of anything that is complicated. It might be extremely difficult then to secure a wide distribution of a stabilized bond, for an underwriting company might be reluctant to undertake the sale of an issue such as that of the Rand-Kardex.

Secondly, are we convinced that a stabilized bond will secure justice for the bondholder with a fixed income. We have been told that the income and principal of a stabilized bond will be adjusted to a price index, which is a fictitious thing of which we know very little, which perhaps means very little. The price index is not a perfect index of the price level. Furthermore, the actual purchases of one bondholder are not necessarily the purchases of another. One bondholder might consume a great deal of a certain type of commodity whose prices have not risen. Yet, because the price index has gone up, he finds his money income greatly increased while his former purchasing power has not decreased. This bondholder has done nothing to warrant this favorable treatment. Might we not then protest at such an injustice?

Thirdly, let us suppose a German industrialist floats a stabilized bond issue in the United States, to which price index must he stabilize the payment of principal and interest, the American or the German? Naturally the American investor would say the American price index, and perhaps he is right, yet the German manufacturer would experience great difficulties in meeting his payments, for although in the long run the price levels and foreign exchanges of two countries might be related, yet, in the short run the relationship is far-fetched and unquestionably the German industrialist would find difficulty in meeting his payments. Stabilized bonds then would have to be domestic.

Fourthly, it might be alleged that the issuing company, when it floats a bond issue is actually embarrassing its own position. If, for instance, the price level increases very rapidly and in great proportion, can the company foresee such an eventuality? "The company issuing such a bond would never, in advance, know how much it owed." At this point Irving Fisher would accuse us of the money illusion, namely, that a dollar is a dollar. Irving Fisher says: "The truth, of course, is exactly opposite. Our present bonds are the bonds which embarrass the companies issuing them. A company owing a gold bond never knows what its debt burden will be. Gold bonds produced the bankruptcies of 1921. The sudden fall of prices put the business men further in debt than they expected. Clearly, any company whose bonds were 'stabilized' would have escaped the embarrassment. The shock from such a tremendous fall of prices would have been vastly tempered if the debts could have been reduced in proportion."

Furthermore it might be pointed out that in periods of rising prices the business man is flush and could easily pay more than is required by the stabilized bond. This would give the bondholder his due; would cut out the profiteer and perhaps would prevent the ploughing back of profits into capital which help to bring about over-production and the consequent excesses of the business cycle.

It appears that both points of view are correct in the matter. There will be certain industries,—not key industries, to which a stabilized bond would constitute a menace even in a period of rising prices. Even industry in general in a period of rising prices, although it might find the adjustment of interest to the price index a simple thing when it would come to the adjustment of purchasing power to principal would find it difficult. To say the least, the reckoning of reserves or sinking fund for the adjustment of principal to purchasing power would be difficult.

Lastly, we might ask ourselves will the fluctuation of the business cycle be greatly reduced? Here, too, we cannot look with great hopes. The stabilized bond is not applicable to all types of financing. Its use is not likely to become widespread in the near future.

Canadian Coal Company to Absorb Other Mines

HALIFAX.—A merger of a number of small mines in the River Hebert (Cumberland County) area into the Canadian Coal Co. has been practically completed, according to Randolph Emmerson, one of the leading independent operators of the district. The Maritime Coal, Railway and Power Co., however, the largest operators, will not be included. The new merger is floating a £250,000 bond issue in England to take care of the construction of terminal and shipping piers at Joggins to provide a water outlet for its product.

FREE TRADE UNION IS PROPOSED FOR EUROPEAN NATIONS

Would Have Direct Bearing on Our Trade Relations With Europe

What would be the effect upon Canadian trade of the setting up of a trade league among the European countries with a view to eliminating tariff walls and other barriers which stand in the way of free trade intercourse, is a matter of discussion in trade circles. The proposal was made by Dr. Walter Leaf, secretary of the International Chamber of Commerce. The matter is of interest to the United States and Canada since it would completely alter the present relationships of world markets.

Dr. Leaf, who is a noted London banker and economist, declared that "a European trade league would afford open markets at least on the same scale as exists in the United States," adding that "national jealousies force us here in Europe to employ in suicidal trade struggles efforts which should be concentrated upon the general advance of human well being."

A dispatch made public by the American Section of the International Chamber reads in part as follows:

"The notable economic progress that has been made since the November meeting of the council justifies a fresh review of the whole situation. Belgium has effectively stabilized the franc at the devaluated rate. Italy has succeeded in balancing her budget with the avowed intention of keeping the lira at a figure not less than the present value. This leaves France alone unsuccessful among the group of nations which are aiming at stabilization.

"I cannot refrain from expressing the deep concern felt everywhere regarding the discussions of French finances which are now going on. There is a general feeling that unless the question is faced with courage and patriotism, the results may be such as to bring disaster, unconfined to France. It is obvious that longer delay will only react unfortunately upon the national credit of France.

"Among the group of nations struggling to rehabilitate their currency, great progress has been made.

"The industrial position of the leading European countries, unfortunately, shows an unequal advance. Reports from Germany speak only of the unfavorable symptoms of a severe trade crisis, with rapid increase in unemployment and in commercial failures, and with impossibility of marketing products. Everywhere, with hardly an exception, there are complaints concerning the difficulty of finding markets. The capacity for production of manufactured products is generally much larger than before the war, but products are stagnating because refused or hampered by tariffs and other trade barriers. Hence there is unemployment, stagnation in industry, and lamentable waste of potential human energy, and the whole standard of living is lowered by artificial restrictions upon human efficacy.

"A European trade league would afford open markets at least on the same scale as exists in the United States. Such a trade league would thus enable competitive production on equal terms in that vast area for intercourse upon a free trade basis. National jealousies force us here in Europe to employ in suicidal trade struggles, efforts which should be concentrated upon the general advance of human well being."

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Fifty-Fifth Annual Statement (condensed)—Year ended 31st December, 1925

ASSETS

Office Premises and other Real Estate	$ 96,448.72
Mortgages — Principal $6,346,901.89 Interest, $196,835.22	6,543,737.11
Loans on Stocks and Bonds	223,287.51
Securities of United Kingdom, Dominion and Provinces of Canada, Canadian Municipalities and Securities guaranteed by Dominion and Provinces of Canada	2,690,708.82
Cash in Chartered Banks	179,459.79
	$9,733,641.95

LIABILITIES

To the Public—	
Debentures—Sterling and Currency	$4,385,866.01
Deposits	844,535.39
	$5,230,401.40
To the Shareholders—	
Capital paid in	1,750,000.00
Reserve Fund	2,650,000.00
Quarterly Dividend, 2nd January, 1925	48,125.00
Profit and Loss Account, Balance carried forward	55,115.55
	$9,733,641.95

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For 54 years the Company has continuously paid Dividends averaging over 7½% per annum. Last year's dividend was at the rate of 11% per annum paid in quarterly payments of 2¾%.

Our Manufacturers Must Make Case With Public

People Should be Brought to See the Benefits of Protection to All Classes in the Community

GOVERNMENT SHOULD CO-OPERATE WITH INDUSTRY

By H. M. JAQUAYS,
Chairman, Montreal Branch, Canadian Manufacturers' Association.

Business has been what we may call "spotty" and the outlook, though more promising, leaves much to be desired. It is true that we can take satisfaction from the fact that, due to a beneficent Providence, we had a fine crop throughout the whole Dominion, and we can derive encouragement from the fact that our foreign trade is improving. We have a favorable balance of trade for the period ending March 31, 1926, of $402,695,000.

We are, of course, forced to export our products to pay the interest on our external obligations, and we must remember that we are shipping out our products to obtain this favorable balance in a more or less raw or partially manufactured condition in increasing quantities. The question arises as to how long this can be continued and the favorable balance sheet obtained, unless the business covers a wider and more highly manufactured range of commodities.

We, as a country, have tremendous undeveloped assets, but the supply is not inexhaustible, and the best advantage commercially can only be taken of these assets through an intelligent development which will tend to increase the prosperity of the Dominion as a whole.

When we examine conditions and attempt to determine why business is "spotty," why it is not more flourishing in this country, we find several reasons. Practically all manufacturers agree that the chief reason is external competition. The world has not yet recovered from the upheaval caused by the Great War.

Government Should Help

The variation in wage scales of the different manufacturing countries is very great. The standards of living are widely different and currency values distorted. Because of these conditions the standards which usually fix competition are disarranged and many of our industries are suffering in consequence. The corrective for these conditions has been adopted by many nations through their tariff policies. We are passing through a time when we should have the closest co-operation between business and the government—a time when many manufacturers are faced with competitive conditions which they cannot overcome without proper assistance.

Naturally, traders wish to purchase *in the lowest priced* market and we as *manufacturers* can find no fault with that custom if, through inefficient practice or poor management, our costs are too high. But it is not right that an industry should be asked to accomplish impossibilities; nor is it economically sound that it should perish when, through reasonable protective laws, it might be made an asset to the country. On the contrary, it should receive that assistance which is necessary for its preservation.

Industry does not belong to the individual. It is a national asset; and our modern industrial fabric has been built up on the understanding that the laws of the land will guard it from internal or external aggression.

If, therefore, manufacturing is to be encouraged, it is essential that those who are investing their capital should feel assured that governmental regulation should be just, that no particular class should be legislated against for the benefit of other classes, and, above all, that a condition of stability should prevail. Undoubtedly, for business to prosper, especially at the present time, these conditions must exist, and the farther they are departed from the more timid will capital become and the less advance will be made by industry.

Industry and Prosperity

I do not think that we have in this country a proper appreciation of these facts; nor do I think that the great value of manufacturing to the nation is generally recognized. Fiscal matters are discussed too often, not with the idea of ascertaining what is best for the country at large, but from a political and sectional standpoint. Our whole tariff system, on which the development of our industries is so dependent, is illustrative of this.

The inconsistencies in our tariff, the lack of enforcement of regulations, toleration of unlawful traffic until it has assumed astounding proportions, all show that we have not in this country that sympathetic understanding of the development and enforcement of those laws and regulations which foster and encourage industrial enterprises. These are some of the factors which make it difficult to meet external competition. Another brake on business is undoubtedly taxation. This subject has been so much discussed that I hesitate to refer to it, but when a sum approximating 25 per cent. of the cost of all the production of the country has to be set aside for the payment of our taxes, it cannot be kept too prominently before us. Such a condition is not only a serious handicap to the industries which are striving to prosper in the country but acts also as a deterrent to capital coming into the country. Whether taxation is high or low is comparative. On general principles, taxation becomes a great burden on a country if it is higher than that of other countries with which trade is carried on, as taxation is a load that must always be carried by the industries of the country, and high taxation means high cost of production. The only way that we can make our taxation a lighter load to carry is by extending and increasing our industrial life. A restriction of industry means that the burden of the necessary taxation is increased.

Comparison With U. S.

In 1925 our Federal expenditures alone represented approximately 14 per cent. of our national production. In the United States, for the years 1923 and 1924, the national taxation was 4.81 per cent. of the national income. Our position, therefore, compares unfavorably with that of the country with which we carry on our greatest trade.

Helping the Railways

May I digress for a moment to refer to the effect that a stimulation of our industries would have on our transportation system. With us in Canada, distribution of our products is as great a problem as is production. Our National Railways, during the past year, have shown better earnings than in the previous year, and this is due in a large measure to the fact that there was more freight to carry in 1925 than in 1924. It is obvious that an increase in business will furnish the freight which will still further improve the position of our railways. The great revenue producing business of the railways is the load which is carried in connection with our manufacturing establishments. For nine months of the year the railways are largely dependent upon this for their support. If we decrease the load which the railways are now carrying, the cost of transportation will go up; and if we suffer a serious setback to industry—such as a considerable lowering of our tariff would produce—the earnings of our railways would be seriously impaired and the cost of transporting a ton of freight a mile would increase. If this is carried so far as very largely to reduce the load which the East throws upon our railways, the latter would not be able to operate and serve the western wheat grower; or, if they did operate, the cost would go up to such an extent as to place him at a serious disadvantage when marketing his product. This deduction appears to me to be perfectly clear. The western wheat grower cannot expect to support our railway system on a few months per year of business.

On the other hand, if we have such a protective policy as would furnish a direct stimulus to business, the railways immediately would feel the benefit of this, and, through the larger tonnage which they would have to carry, would undoubtedly reduce the cost of carrying freight. Surely this condition would result in greater direct benefit to the West than would the elimination of the customs duties on all the products which they use. If, then, we feel that our taxation is too high, our railways too great a burden on manufacturing, and our laws and regulations do not encourage or support manufacturing, how are we to remedy conditions?

Educating the Public

It is those who are engaged in our manufacturing companies who can most clearly see the difficulties to which their affairs are subjected. It appears to me, therefore, if the conditions surrounding industry are not satisfactory, that it is their duty to point this out to the public and suggest those remedies which will better the condition. In this, I think a great duty falls upon all of us individually; for it is our task—and ours alone—to convince the public that our policy is that which will produce the greatest national prosperity.

Our association is not a political body. It is a medium through which the interests and desires of our members from all sections of the country may be considered, and solutions arrived at which will work, in the opinion of our executives, to the best interest of the country in general. It acquaints the government with the views of the membership on matters affecting manufacturers. It passes on to the divisions, branches, and members the result of these efforts.

It is the task of the individual member, however, to see to it that those teachings and principles which the association stands for are understood and appreciated by the community in which they operate. I believe that as to whether or not our laws are made in such a manner as to foster industry, depends upon the education of the public, and any member of the association, if he exerts himself, can do much to accomplish this. This, to-day, is a matter that is vital to the industrial life of this country, and I think that each one of us must ask himself if he is fully aware of the position in which industry stands in this country and if he is doing his utmost to better that position. Those who have worked closely in touch with the association, feel that this is not generally done,—that in too many cases a man, after he has paid his membership fees, takes little interest in the affairs of our association.

In the National Interest

The executive officers of the association can do little work other than to represent the views of the association to the government and advise the membership. The equally important work of informing the public regarding our difficulties and our requirements must largely be done by the individual members of our various divisions and branches scattered throughout the country.

If we can convince the public that our policy is the one which will produce the greatest national prosperity, we will obtain legislation that will foster manufacturing. If the public feels that our policy is based on selfishness and greed, we will not get support.

We know that we cannot become a great nation by trading in agricultural products and raw materials. We have in Canada, to assist us to become a nation, tremendous natural resources, but unless we can develop these resources efficiently, unless we can turn the raw materials furnished by nature into the commodities required by man, then we are not destined to become a great nation. This cannot be done except we have an intelligent general understanding of our problems. So I repeat, upon us individually, as manufacturers, rests the great responsibility of imparting to the public a knowledge of our special conditions and requirements and of convincing the public that our suggestions, if carried out, will ultimately result in the prosperity of the whole nation.

Industrial Relationship Plan Stands Test of Seven Years

(Continued from page 10)

has reached the age of 55 years, or any women 50 years, who has been 30 years or longer in the service, or any man who has reached the age of 60 years, who has been 20 years or longer in the service, may be retired on a regular allowance, either at his or her request, with the approval of the board, or without the request of the employee, at the discretion of the board.

(c) Retirement at discretion of board: Any employee who has been 10 years or longer in the service and who by physical examination is shown to be permanently totally incapacitated for service, or whose retirement on account of advancing years is, in the judgment of the board, advisable, may, at the discretion of the board, be retired and granted a regular or a special allowance.

Section 2. Amount of Payments: (a) The payments for regular allowance which the board may authorize under this plan shall be as follows:

For each year of active service an allowance of 2 per cent of the average annual pay during the five years next preceding retirement; but no regular allowance shall be less than $300 per annum, or more than 75 per cent. of such average annual pay.

It should not be forgotten that annuitants are still insured under the death benefits plan, even after their retirement, so that annuitants need have little worry about the future. In the case of annuities, as with the other benefits, these are non-contributory on the part of the employee, the cost being borne entirely by the company.

Accident Benefits

For accidents incurred by an employee while engaged in the actual performance of the duties of his occupation, disability benefits are paid in accordance with the provisions of the Workmen's Compensation Act applicable to the case.

In the case of accidents occurring after working hours, these are treated as sickness cases and sickness benefits allowed.

Co-operative Investment Trust

In April, 1920, there was formed by Imperial Oil, Ltd., the first co-operative Investment Trust. The general purposes of this trust were: The creation within the organization of a body of shareholders embracing all of those who contribute in any degree to the conduct and operation of the business; the encouragement of thrift; and the extension of the actual condition of partnership within the industry which it has always been the endeavor of the company to promote. Any employee of the company or of a subsidiary, whose continuous service exceeded one year, and who was regarded as a permanent employee, could participate in the trust by regularly depositing therein during any period of twelve consecutive months, an amount not to exceed 25 per cent. of his annual compensation from the company. The amount thus subscribed by the employee-depositor, was augmented by the company to the extent of a sum equal to 50 per cent. of the employee's deposits, and the stock was purchased by the company for the employee, at a reduction below the market price each year, for a period of five years. The first trust expired in April, 1925, when the employees were presented with certificates of Imperial Oil, Limited stock. The first trust has proven itself to be a great opportunity, enabling the employees to become shareholders in the company, and the members of the organization did not hesitate to take advantage of the generous provisions of the trust, and were keenly appreciative of the opportunities thus afforded.

The following resolution, (which is one of several) as adopted by one of the Joint Industrial Councils, indicates the general attitude of appreciation of the terms of the trust:

"That we, the elected and selected delegates of the council, find that all the employees, particularly those that have participated in the last Co-operative Investment Trust, are very loud in their praises of the past expired scheme. We find that the past investment trust, which has operated during five years, has had the decided effect of causing our employees to regard the company and the company's business, with more personal interest, and we sincerely believe that it has helped considerably in uplifting the general morale of our refinery staff. The men at this refinery, highly appreciate the just and equitable manner in which the trust was administered, and we know that this especially has created a mutual sentiment of trust between the employees and the company. In view of the above, be it resolved that the above sentiments of the Imperial Oil employees, be conveyed to the board of directors."

In January of this year, a second co-operative trust fund was inaugurated, for a period of three years. In its provision, employees of one year's service, are allowed to subscribe up to 10 per cent. of their annual earnings; the company subscribing as before, 50 per cent. of the employee's deposits. All employees participating in the first co-operative investment trust, who have not disposed of more than one-third of their stock purchased under the former trust, are allowed to subscribe to the new trust and so far, it has been shown there are not many employees affected by this ruling, and it is most gratifying that the number of depositors in the second trust, is in excess of the number of those in the first trust.

The second trust is conducted and the funds invested under the direction of a board of five trustees, to be selected by the board of directors, three of whom may be officers or directors, and two employees who are depositors in the trust, but not officers or directors of Imperial Oil, Ltd.

Mr. Victor Ross, vice-president of the company, is again chairman of the board of trustees, and associated with him on the board, are Messrs C. T. Griggs, Percy Kitson, Thomas S. Palen and John C. Hampton.

These provisions of the plan, cover the four stages of a man's industrial life. The years of health and working power have their place in the plan, as well as the years of sickness and of old age. As an employee's industrial life develops from stage to stage, the constructive practical thought has pioneered the way before him and made the necessary provision for each stage.

(1) **When a man is strong** and able to lay the foundation of independence, the Co-operative Trust fits in and appeals to him when his earning power is at the highest.

(2) **When a man is sick** and begins to feel the strain, the sickness benefits make provision.

(3) **When a man is old,** the annuity helps to ease the heavy load, and finally

(4) **When a man dies,** the death benefits give the assurance that his dependents will be carried over the reconstruction period.

Thus at each point along the line of an employee's industrial life, these well-considered plans evidence President Stillman's and the company's practical interest in each member of the organization.

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Natural Resources Branch,
C.N.R. General Offices, Montreal, P. Q.

C. Price-Green,
Commissioner.

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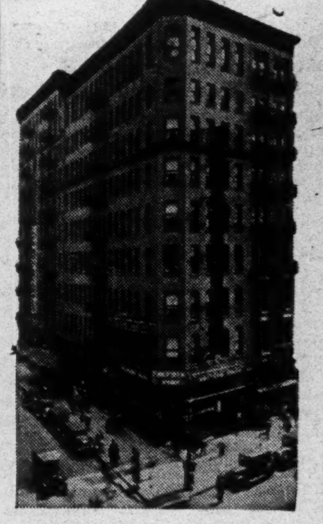

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24

News of the Mines: A Department for Executives and Investors

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

EXPECT THINGS TO HUM IN QUEBEC FIELD THIS YEAR

Advent of Transportation and Cheap Power Causing a Speeding up

Two main essentials for a successful mining camp, transportation and power are now being rushed into the Rouyn Quebec area. The railway will be in from O'Brien by Sept. 1, and the power lines of Northern Canada Power from Des Quinze Falls on the Ontario boundary will be ready by Autumn.

This will result in a tremendous speeding up of exploration this summer. Noranda during the winter took in much heavy equipment and construction material which will be rushed along ready for additional equipment when the railway is in. It was just recently announced that Noranda had concluded a large power contract with Northern Canada Power on terms similar to that of Hollinger which provides power on a sliding scale from $50 per h.p. down, according to the amount of power used. It is estimated that Noranda's first smelter unit of 1,000 tons daily will require 6,700 h.p., and later it is proposed to add three additional units of similar capacity which will each require the same amount of power.

Boichatel, Duprat, Clericy, Rouyn and Montbray are going to be very busy townships this year, in so far as the gold-copper section of the camp is concerned. The gold area must not be overlooked, however, as there is a twenty mile section which gives promise of several mines. The most important townships in this part are Cadillac and Dubisson, though Fournier and Malartic are looking mighty interesting also.

The extensive diamond drilling campaigns carried on by several companies in the copper section, give some indication of the magnitude of the exploration that is going to go on this summer. There are fully a dozen properties in this part that are earmarked mines, if the ore deposits are found to carry down. Work done to date has indicated commercial ore bodies over a considerable area.

Boichatel, has come strongly into the limelight because of the attention which President N. A. Timmins and interests of Hollinger have taken in this section. In addition to having a material interest in the Alderson-McKay block, Mr. Timmins is reported to have optioned 25 claims adjoining to the north. Porcupine Goldfields Development and Finance, a subsidiary of two of the largest South African companies, spent most of the winter drilling the Arntfield west group and has an extensive summer program ready, while a Huronian Belt subsidiary, also controlled in England, has taken over the Arntfield east group of 1,000 acres. Noranda has entered this area also and took over 45 claims north of the group optioned by Huronian Belt.

In the meantime work in the Duprat section has shown up some remarkable ore and it is said that there will be several mines there. Amulet is working in two places. Area is reported to have good results from diamond drilling. Duprat and Laval are launching an extensive summer campaign as is Fiske Gold Mines, headed by Sir George Foster and Stadacona.

It has been recently estimated that $10,000,000 will be spent in exploration work and equipment in Northwestern Quebec this year. This is in additional to the railway construction and the power line.

MINING STOCK QUOTATIONS
Week Ending May 18

	High for week	Low for week	Close May 18	Close May 11	Sales for week
Amulet	1.18	1.10	1.15	1.06	41740
Area	25	25	25	28	500
Argo. Cons.	28	24½	25¼	23⅛	47950
Barry Hol.	36¾	35¼	36	35	28750
Beaver	76	70	70	72	26500
Bidgood	5½	5	5½	5	2000
Bourlamaque	9.95	9.70	9.85	9.75	8150
Chaput-H.	9	8	9	9	3500
Can. Lorrain	88½	80½	85	87	53250
Capitol	36	33½	34	36½	31100
Castle Tre.	1.45	1.39	1.40	1.37	45450
Coniagas	3.30	3.30	3.30	3.20	45
Coniarum	3.25	3.00	3.25	3.20	531
Cons. Smelt.	195	189	192¾	190	6498
Cons. W. Dome	16	14½	15	16	173400
Crown Res.	14½	12	12¼	13¼	62000
Davidson C.	2½	2½	2½	2¼	3000
Dome Mines	14.25	13.50	13.75	13.60	3350
Duprat	13	13	13	12½	500
Dupuy	30	25	27½	24¾	37700
Everett	8	6½	7¼	6½	20500
Gold Hill	43½	38	39	37	50600
Goldale	30	28½	29	30	25200
Gold Reef	2	1¾	2	2	3000
Grover-D	31½	30½	30½	30½	12000
Gladstone	33	33	33	35	100
Hollinger	19.00	18.75	18.85	18.50	1771
Hunton Kirk.	20	17	17½	17	27700
Indian	9	5	5¾	9	87600
Laval, Que.	25	23	23	25	14600
Int. Nick. c'm.	34⅝	33⅝	33⅝	33⅝	1260
Keeley	1.58	1.45	1.55	1.52	13165
Keora	7	6	6⅞	6	157400
Kirk. Lake	1.11	1.05	1.07	1.06	73510
Lakeside	4	3¼	4	3½	84000
Lake Shore	10.45	10.15	10.35	10.15	65020
La Rose	16	12	12	12	60700
Lorrain	4½	3¾	4	4½	56700
Lorrain T. L.	75	75	75	75	200
McKinley	22	17½	17½	18	40900
McIntyre	25.85	25.00	25.00	25.20	4885
Millcrest	19	15	16	19	22250
Mining Corp.	3.50	3.40	3.40	3.36	11920
Newray	35¼	34	34	37¼	4300
Nipissing	5.85	5.50	5.75	5.50	2955
Night Hawk	8½	7	8	6½	23800
Noranda	16.00	15.40	15.50	15.70	17564
Peter. Lake	2	1¾	1¾	2	10500
Porc. Crown	5½	5½	5½	5½	200
Premier Gold	2.20	2.10	2.11	2.15	16175
Preston	5	4¾	5	4¾	5700
Teck Hughes	3.49	3.29	3.42	3.31	139299
Rouyn	4½	4	4	4¼	48700
Rouyn, Que.	2½	2	2	2½	6000
Tough Oakes	43	36½	37½	42	38100
Timiskaming	11½	11½	11½	11½	500
Vic. Silver	6	5⅛	5¼	5½	12500
Vipond Cons.	1.63	1.58	1.62	1.59	27600
Wakenda	1¼	1¼	1¼	1¼	2000
Wigwam	30	18	28½	18	51600
West Tree	2¾	2½	2½	3	8500
Wettlaufer	6½	6	6	6½	28000
Wright Har.	8.25	8.15	8.25	8.10	3810
Stadacona	41	40	40	..	33200

Payment to Start on Mill Addition

Premier Paymaster's mill, which started April 14, is reported handling $5 ore. It is not expected to be profitable until the mill is up to 350 tons. The second unit will be proceeded with at once and 350 tons daily may be reached by August 1. Meanwhile some good development work is being done underground and some high grade ore encountered, with plenty of fine gold.

The company has made another assessment, No. 11, of 10 cents per share, on shareholders.

ARGONAUT MAY CHANGE QUICKLY

Next Week or Ten Days May Tell Story Says Mr. Naud

The next week or ten days should completely change the complexion of Argonaut Consolidated Mines. Operations are being pushed ahead on the 875 and 1,000-ft. levels. They have passed out of the quartz diorite dyke and are entering the fault zone where the mineralized area has been encountered in the upper parts of the mine. Already there are evidences of mineralization in the works as they proceed, according to General Manager J. A. Naud.

As a first step in preparation for a larger tonnage Argonaut has placed an order for a new hoist to replace the old one now in service from the surface to the 500-foot level. The order is for a Canadian Ingersoll-Rand single drum electric hoist, having a lifting capacity of 8,000 pounds and a rope speed of 600' per minute. This hoist is to be driven by a 75 horse power electric motor. It is to be in service by July 15.

New Finds Are Reported on the Duprat Groups

Telephone service has been installed by several of the operators in Rouyn district Amulet, Waite-Montgomery-Duprat and Consolidated Smelters are already hooked up. Duprat reports the first message out by phone was to the effect that the geological survey launched on the South Group as the first step in a large exploratory and development program, indicates promising things. Two other discoveries have been made but details are not ready yet. Magnetic work has been undertaken on the north group.

Reports from Quebec are to the effect that another big deal involving a large U. S. mining company has been consummated.

Teck Hughes-Kirkland Gold Only Strong Stocks

The mining market has been quite dull. Teck Hughes, Kirkland Lake Gold have shown some strength, but the other shares have been featureless. Mining Corporation and Noranda seem a little weak, the former easing 5 points. Keora has strengthened a little on reports that new financing plans are well under way.

South Vancouver Island Mines Become Active

Porcupine Goldfields Development and Finance has examined the Gabbro mine adjoining the Sullivan mine, at Jordan River, Vancouver Island. The property consists of 23 mineral claims, upon which a considerable amount of exploration has been done, exposing a series of wide belts carrying stringers of copper ore, with also low gold and silver values.

Consolidated Mining & Smelting, which controls the Sunloch mine, contemplates the erection of a mill on the property during the present year, so, should the Porcupine company entertain the Gabbro group, there is likely to be considerable activity at the southern end of Vancouver Island before the end of this year.

START HUDSON BAY PROPERTY

Kirkland Hudson Bay mine, adjoining Lake Shore and Wright Hargreaves on the south, will proceed with operations. A. L. Keast has been appointed consulting engineer.

200-TON SYLVANITE MILL

Sylvanite Mines, adjoining Wright Hargreaves Mines. Kirkland Lake, on the east, will erect a 200-ton mill. The company is controlled in Buffalo.

RED LAKE RY. CHARTER REFUSED

An application on the part of Montreal and Boston interests for a charter for a railway into Red Lake was turned down by the Railway Committee at Ottawa.

MINERAL DISPUTE TO GO OVER

The hearing of the dispute as to who owns the minerals of lands once held by Hudson's Bay Co. in Rupert's land, is likely to go over to the fall. The Dominion, Manitoba, Ontario and Quebec are interested.

THOS. BROWN DEAD

Thos. J. Brown, deputy minister of Mines, Nova Scotia, died recently in Halifax. He was one of the best known coal men in the country, having held many important posts up to that of general manager of Nova Scotia Steel and Coal Co. and general manager at Sidney mines. Last year he was president of the Canadian Institute of Mining and Metallurgy.

MILL OF KIRKLAND GOLD WILL START IN NEAR FUTURE

Plans Going Ahead Fast as Possible Says Managing Director Tyrrell

Plans are going ahead as fast as possible for the resumption of milling operations on Kirkland Lake Gold. Some new machinery and a few other matters must be attended to before the mine can again start production. J. B. Tyrrell, managing director, says that he will start milling just as soon as he possibly can.

The decision to go ahead with the mill is a result of the success which has been met with in developments on the 2,100 and 2,225 foot levels. About a week ago high grade ore was encountered on the 2,100 and these values are steadily improving. The most recent work is said to be in ore running well over $50 with patches of much richer ore. The width is said to run 6 to 10 feet.

At the first of the week high grade was encountered on the 2,225-ft. level and the ore compares favorably with that on the upper levels. The drifts both ways from the crosscut on this level are in good commercial ore and it was the east drift which carried into the high grade shoot. This work gives the mine 725-ft. of backs of this good ore. The recent strike is declared to be the biggest yet made in the mine.

Rush to Sturgeon Lake When the Ice Goes Out

FORT WILLIAM.—About twenty-five prospectors with canoes and supplies are camped on the portage between Bucke, on the Transcontinental Railway, and the northern end of Sturgeon Lake, waiting for the ice to move before going into these gold fields, according to R. Anderson. Mr. Anderson has letters from Noah A. Timmins, of the Hollinger mine, assuring him that he is deeply interested in the reports from this section, and that he will send in his engineer as soon as the lakes are open.

DUNWELL ORDERS MILL

Dunwell mines, Portland Canal area, has placed a contract for the erection of 100-ton mill and 4,200-ft. aerial tramway. The company has been shipping high grade to Trail Smelter for some time.

ANOTHER WAINWRIGHT WELL

Emerald Oils will start drilling at once next the new Edmonton-Wainwright producer in Wainwright field. Drillers Stevens and Adams, who put down the producer, will be in charge. They will use a rotary drill.

REFINERY FOR WAINWRIGHT

Californian oil men have made arrangements to erect a 1,000 barrel oil refinery at Wainwright. The company will be known as Albertan Oil Ltd.

DRILL MANY ISLAND, ALTA., FIELD

Miley Exploration Co., Los Angeles, has taken up 5,000 acres of leases in Many Island, Alta., and will start drilling this summer.

The Red Lake "Rush"

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Ontario-Quebec Dispute Over Railway to Mines Seems Far From an End

Privy Council has decided that Nipissing Central Railway, owned by Ontario Government, has a right under its Federal charter to cross over Quebec crown lands to serve the mines of Northwest Quebec. Quebec questioned this right, stopped construction, and the dispute went to the highest court of the land. The decision says the Dominion Government can grant permission for Nippissing Central, operating under its Federal charter, to proceed.

If Ontario now makes application for such permission, and Quebec continues to object, Ottawa will face the duty of approving or disapproving. It would seem that the Privy Council decision, therefore, puts the issue up to Ottawa.

In the event of Ottawa approving the project Quebec would undoubtedly have some say as to what lands are to be crossed. This might cause long delays and innumerable disputes.

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Tonopah Has Ore to Pay All Costs to Date

Ore which Tonapah Mining Co. had developed in Gowganda at the beginning of 1926 was sufficient to recompense the company for its total property and development costs as well as mill construction, Gov. C. R. Miller told shareholders at a meeting recently in Philadelphia. He also remarked that there would then be some ore left for profit.

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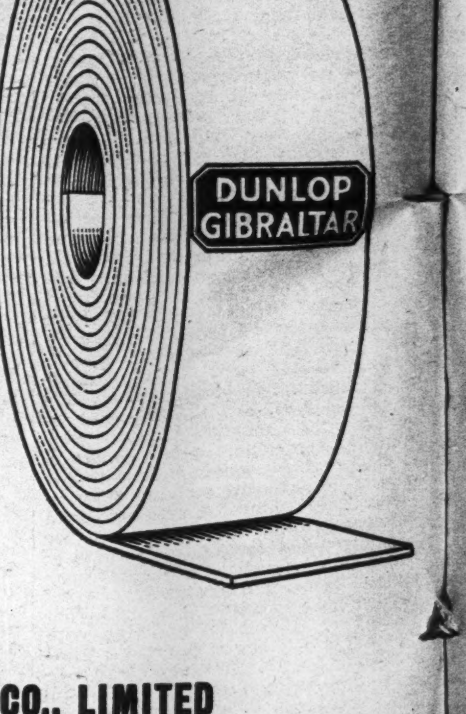

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News of the Mines

McLEOD 2 WELL INTO FAVORABLE OIL FORMATION

Analysis Indicates Possibility of Getting Oil at Better Level

From Our Own Correspondent.

CALGARY.—After an independent analysis of the limestone formation into which the bit of the McLeod No. 2 well in Turner Valley has drilled five feet, the statement was made here that the well is potentially on the verge of production. The analysis was made from the limestone that was brought up from 3,640 feet and shows that the rock is one-third dolomitic, or capable of bearing oil, at the point where the bit drove into it.

At the point where Royalite No. 4, naphtha gusher, entered the limestone the rock was only 5 per cent. dolomitic, the porosity increasing as the drill went lower. The inference is that McLeod No. 2, which is half a mile due south of Royalite No. 4, will reach strata of the rock with sufficient porosity to hold oil after drilling into the limestone a much less distance than three hundred and ten feet that was necessary at No. 4.

In the No. 4 well the first limestone sample showed 5 per cent. magnesium carbonate and 95 calcium carbonate. The calcium carbonate predominating made porosity impossible. At 310 feet into the limestone the analysis showed 48 per cent. magnesium carbonate and 52 per cent. calcium carbonate. The fifty-fifty mixture, according to engineers, means limestone of the highest porosity.

On the other hand, where the McLeod No. 2 well punctured the "lime," instead of containing only 5 per cent. dolomitic the analysis shows 31.8 per cent., which is rapidly approaching the dolomitic content of the "lime" where Royalite No. 4 encountered the big pay.

This test is of importance to all the other companies drilling in the field. It proves that the limestone formation is extensive and that it may not be necessary to drill into it to the depth necessary in the case of Royalite No. 4.

The crew at the McLeod No. 2 well is now making preparations to surmount the difficulty that was experienced with a poisonous flow of gas that is coming from the top of the limestone. This gas, similar to some in Royalite No. 4, is very injurious to the eyes and two drillers were sent to the hospital after being temporarily blinded by it. Drilling is to be continued immediately.

Once again rumors are afloat in Calgary to the effect that the Dutch Shell oil interests are acquiring leases. They are said to have purchased a number of holdings in Moose Mountain, north and west of Turner Valley. Officials of Signal Hill drilling in the field, admitted that negotiations had been carried on with "large oil interests" but would not say who.

Vulcan well, Turner Valley's deepest hole, is now drilling below 4,650 feet with 6¼ inch casing. It is believed that the hole is now at the bottom of the calcareous shales. In other wells it has been found that there is a shallow, soft formation between the calcareous shales and the top of the limestone.

The special order of 4¾ inch casing that was bought for the Illinois-Alberta well, another hole that is thought to be approaching the limestone, has arrived. This well, like McLeod No. 2, is on the western slope of the anticline, and down 3,576 feet. It flows 2,000,000 feet of wet gas daily.

Light oil continues to flow into Dalhousie No. 3, 400 yards east of Vulcan. Royalite 5 is now between 3,100 and 3,200 feet. Great West well is still carrying down 15½ inch casing and will likely cement in this string at 1,100 or 1,200 feet.

In the south end of Turner Valley, Advance Company is still working to pull the eight inch casing from the old Acme well, with the intention of deepening the hole originally drilled to 3,160 feet. They are ready to start on their No. 2 location. Dallas has cemented the 20 inch string at 267 feet and is ready to start carrying down the 15½ inch casing. Home Oils crew has been fishing for the bit that dropped into the hole at 170 feet.

In Moose Mountain, Cherokee crew has underreamed hole to 1,664 ft. and is running casing. This hole is an old one that is being deepened. The Signal Hill Company in the same district has located a No. 2 hole. Their No. 1 well is an old well of the Moose Mountain Oil Co.

"Smelters" Makes up on Lower Prices by Output

Shareholders of Consolidated "Smelters" need not worry over the drop in the price of lead this year as the output of their company is so far ahead of last year that increased sales will more than compensate for the reduced prices, say O'Brien and Williams, Montreal, in their market letter. The figures for the first quarter of the year compare as follows:

	1925		1926	
	Tons	Value	Tons	Value
Lead	20,063	$3,776,859	30,608	$4,793,800
Zinc	7,995	1,427,107	14,197	2,488,024
Copper	Nil	....	2,194	609,624
	Ozs.		Ozs.	
Gold	5,614	112,280	12,456	249,120
Silver	875,064	596,161	1,7[illegible]7,508	1,140,888
		$5,912,407		$9,461,456

It might be pointed out that the market increase in tonnage of ores is due chiefly to the new concentration service, which went into operation in the latter half of last year. The independent operators have shown their appreciation of this service by supporting it enthusiastically, and the ore receipts have been swelled by the shipping of a large tonnage of milling ore. The increase in the production of gold is due chiefly to the concentrate received from the Allenby Copper Corporation, and this also accounts for practically the whole of the copper production and some of the increase in the silver production. The Allenby Company commenced to ship concentrate to Trail last August. Increases in the lead, zinc, and silver production are to be accounted for partly by the increased production at the Consolidated Company's and many of the independent shippers' mines, and partly by improved metallurgical conditions at both Kimberley and Trail.

It is reported that the company has driven into a lens of galena ore in the Sullivan ore deposit, at Kimberley, and shipped to Trail eleven cars of ore assaying 15 to 20 oz. of silver and about 50 per cent. of lead.

Other Central Manitoba Groups Look Attractive

A number of new companies are going into Long and Bull Dog Lake sections in Central Manitoba. Long and Bull Dog Lake syndicate, financed in Toronto is sinking a prospecting shaft on the Marige which is east of the Eldorado and which has some excellent showings. No. 1 vein is stripped for 1,100-ft. and for a width of six feet and shows gold continuously. No. 2 vein is being stripped. The property has a couple of contacts, quartsite and schist and greywacke.

The Onadago, held by Winnipeg people is reported to have opened a rich showing and on the Good Hope there are seven excellent veins. This property is north of the W.A.D. The Metals group, west of Victoria Syndicate which in turn adjoins the Cryderman of Mining Corporation is said to be looking excellent.

CASSIAR PLACER AREA BOOMING

Large Dredges Being Constructed and Will be Ready to Operate Soon

GOLD PAN, B.C.—The Cassiar country is enjoying a real mining boom, although an unspectacular one, and the output of gold is expected to be at least three times as large as it was last year.

Fifty prospectors are now working in the Tarnigan section, near Palmer Creek, and many more are going in every week. The Dease Lake trail is in good condition and the stampeders are making good time. The lake region is particularly active at present, and on Dease Creek a hydraulic plant is ready to go into operation as soon as water is available. Another plant is now being assembled. Other interests will establish a hydraulic outfit next winter if reports this summer are favorable. This method of placer mining means the investment of considerable capital and indicates that big interests have confidence in the district. Hydraulic plants and dredgers have brought far more gold out of British Columbia and the Yukon than any other process, and their introduction to the Cassiar district is regarded as an exceptionally promising sign.

Owing to the extremely early season due to the light fall of snow last winter, there is great activity on Thibert, McDaoes and Deloir creeks, all of which mining men expect to be thoroughly demonstrated this season.

LOWER POWER COSTS FACING KIRKLAND

Taking Over Northern Ontario Light and Power May Mean Change

The outlook for lower power costs for Kirkland Lake camp is now bright. For years the operators in this area have been burdened with a power charge that ran close to $100 per h. p., all charges and costs considered. This has been a factor in the high costs that has marked the camp and has kept the low costs of Wright Hargreaves from being materially lower. The improvement in power costs, which the operators are looking for, is expected to come after Northern Canada Power makes a survey of the power situation among the mines of the north. It is only recently that Messrs. Nesbitt, Thomson & Co. secured the Northern Ontario Light and Power Co., to add to the Northern Canada Power and the operators are now certain that some relief will come. Not only will cheaper power allow the present operators to expand and which may this year increase power sales 2,000 to 3,000 h.p., but it will encourage other concerns to open up their properties which have been dormant for some time.

Detailed Information Regarding Red Lake

W. R. Rogers, Ontario Department of Mines statistical and publications head, has prepared a concise bulletin on District of Patricia, which includes Red Lake and adjacent areas. It is a summary of reports and maps published by the Ontario Department and the geological survey of Canada, also gives information on staking and recording of claims and suggestions as to equipment and supplies which the inexperienced would require to go into the area. There is an excellent map of the area accompany the report.

Original Staker Says Woman Lake Interesting

The water route to Red Lake and Woman Lake is now open. The expected big rush of prospectors into the field is under way. Tommy Powell who made the original staking in Woman Lake has, through his partners, sold to a New York and Toronto syndicate. Meanwhile Powell continued to take up likely looking claims in the district and has just come out. He is at present in the east owing to the illness of his wife. He says the country in Woman Lake area, 45 miles in from Red Lake, is very interesting and likely looking. The gold is finely decimated and it is hard to see it with the naked eye. In this regard it closely resembles that of Kirkland and the values, from samples so far run, are said to be high.

Goudreau Gold Picked up Faulted Main Vein

Goudreau Mines, while driving a crosscut from their extreme east drift, intersected the main goldbearing vein to the east of the fault that had been proving somewhat of an obstacle in their underground work. Promising looking ore to a width of five feet was encountered, and officials view with satisfaction the success of these efforts.

McIntyre Mill Supt. is Awarded Longstreth Medal

Franklin Institute of Philadelphia, in its annual award for signal achievements in science, mechanical arts and in invention, presented James J. Denny, mill superintendent at McIntyre-Porcupine mines, with the Longstreth Medal. This is for his invention of "Linorite" a special process rubber lining for ball mills used in crushing ore. Mr. Denny invented this new liner while mill superintendent of Nipissing mill at Cobalt. It not only adds materially to the life of the ball mill but cuts down the cost of maintenance and repairs. The American award of Franklin Medal, founded in 1913 by Samuel Insull, Chicago, the highest honor in the Franklin Institute's gift, went to Samuel Rea, former president of Pennsylvania Railway, for outstanding work in railway construction and administration.

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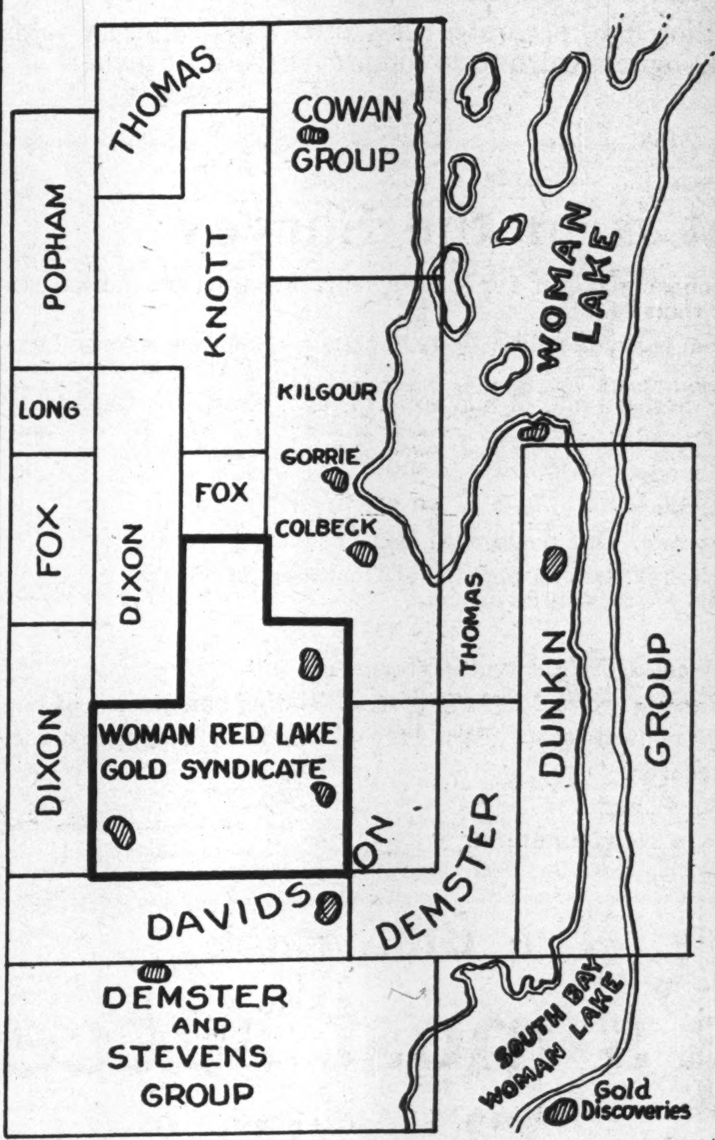

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Position and possibilities of Newfoundland.

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The second annual issue of The Financial Post Survey of Canadian business and finance has just come to hand. It covers the year 1925 with an interpreted review of statistics and tendencies in Canadian commerce, investments, finance, manufacturing, farming, mining, fishing and forestry. To those who are interested in Canadian investments, or who, for any reason, are interested in Canadian commerce, in its varied ramifications, this book will disclose a wealth of information and interest.

—*Contract Record.*

"An Informative Volume"

One of the new books received at the Windsor Public Library is a copy of "The Financial Post Survey," for 1926, an informative volume devoted to statistical information on Canadian agriculture, mining, lumbering, fishing, banking, transportation, population, industries and other such departments. There is also a chapter on Newfoundland in the book.

—*Border Cities Star, Windsor.*

"Extremely Comprehensive"

The second annual "Financial Post Survey" has just been issued. This extremely comprehensive book of 232 pages contains a mass of statistical data showing the expansion of Canada's business and finance during the past year, illustrated by appropriate maps and charts. It embraces every conceivable phase of the development of the Dominion. Of particular interest to British readers are the sections dealing with mining, paper and pulp, public utilities, textiles, and general industrials. A new feature of the 1926 issue is an extensive summary of financial, trade, and business statistics of Newfoundland.

—*"Canada," London, Eng.*

"A Valuable Compilation"

Point is given to the numerous reports of a marked improvement in Canada's economic prospects for 1926 by a very informative survey published by The Financial Post of Toronto. The "Survey" throughout is a valuable compilation of current data on Canadian production which usefully supplements the official publications of the Canadian Government.

—*The Economist, London, Eng.*

"Of Immense Value"

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"It is a handsomely bound, carefully prepared volume, and is admirably arranged with a view to facilitating its use as a book of reference."

—*Chatham Daily News and*
—*Woodstock Sentinel-Review.*

"Immense Practical Benefit"

"The Financial Post, through years of preparation and staff-building, is equipped to render this big statistical service. The Financial Post Survey editors have been able to produce a work of immense practical benefit to business men, investors, etc."

—*Montreal Gazette.*

"Concise and Up-to-Date"

The Survey, which is a well-bound book of over 230 pages, gives to Canadian business men and to those who are studying business conditions in Canada, a concise and up-to-date record of Canada's development in commerce, industry and finance. Figures and charts show monthly trends in every province, and there is a series of analyses of Canadian markets, with maps. For every province in Canada figures are given, in summary form, concerning the characteristics of the population, the buying habits of the people, wealth and buying power, etc. In the analysis of industries, the principal products in every industry with amounts and values are given. A new feature is an extensive summary of financial, trade and business statistics of Newfoundland. The chapter on Canadian mining includes an analysis of what the mines buy.

—*Saturday Night.*

"Library Incomplete Without"

"When the modern business executive wants information regarding any phase of business, whether it be the trend of agricultural production over a period of years, whether it be the trend of automobile merchandising or whether it be the character of Canadian trade in farm implements with the Far East, he wants it in a hurry. The Financial Post Survey is an admirable medium in this regard. No book published in Canada in recent years has more nearly met the needs of Canadian business, from the statistical viewpoint, than the Survey which was introduced with the 1925 edition. The present issue is an improvement on the first, in that more complete information is presented upon a mass of worth-while subjects. The tabloid survey of Canadian business presents in a series of charts a tabloid of our national business progress over a period of years—an invaluable comparison when charting the possibilities of the coming year's business. Certainly no executive's library is complete without the Survey."

—*MacLean's Magazine.*

"An Interpreted Review"

This is called an interpreted review of tendencies in Canadian commerce, investment, finance, manufacturing, farming, mining, fishing and forestry, and was compiled under the direction of H. M. Cameron, the statistical editor of The Financial Post. It is designed for the use of sales managers who would endeavor to forecast the buying power of different sections of Canada. It gives the output over a series of years of the outstanding industries. The survey, according to the editors, was compiled to serve the business executive, the government official or anyone else dealing with conditions affected by general movements in Canadian trade, finance and industry.

—*New York Journal of Commerce.*

"An Invaluable Handbook"

"The second issue of The Financial Post Survey, 1926, which has just appeared off the press, is a ready work of reference for the business man, who may desire facts and figures concerning any line of industrial or commercial enterprise. The volume is replete with statistical information concerning every phase of business activity conducted in this country, and furthermore presents comprehensive yet concise records of tributary matters concerning which the business man may desire accurate information, as, for example, succession duty rates in Canada, the scale of income tax, the financial standings of the various more important urban municipalities, etc. The book, which is well and neatly bound, has been carefully edited and forms an invaluable handbook of ready reference for the busy desk."

—*Toronto Mail and Empire.*

Canada's most successful business leaders have The Survey on their desks.